terra

Annual Report 2015

24h

of tenacity

For the future. From 1838

By printing this publication on Cocoon 100% recycled paper the environmental impact was reduced by:

- 1,316 kg of landfill
- 36,132 litres of water
- 2,255 kWh of electricity
- 1,946 kg of CO2 and greenhouse gases
- 2,138 kg of wood

Source: Carbon footprint data evaluated by FactorX in accordance with the Bilan Carbone® methodology. Calculations are based on a comparison between the recycled paper used versus a virgin fibre paper according to the latest European BREF data (virgin fibre paper) available.

Results are obtained according to the technical information and are subject to modification.

GRI GOLD Community Terra 2016

Dear Shareholder,

G4-3

The Board of directors of Terra Mauricia Ltd ("Terra") is pleased to present this Annual Report, which was approved on 11 May 2016. This integrated Annual Report, which was prepared according to the GRI G4 guidelines and under the 'in accordance' core option, covers the activities of Terra and its subsidiaries for the year ended 31 December 2015 and should be read in conjunction with the report entitled 'Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement'[1]
On behalf of the Board of Directors, we invite you to join us at the Annual Meeting of Terra to be held:

Date: 29 June 2016

Time: 2.00 p.m.

Place: Auditorium Paul Eynaud, L'Aventure du Sucre, Beau Plan, Pamplemousses

Yours faithfully,

Daniel Nairac
Chairman

Nicolas Maigrot
Managing Director

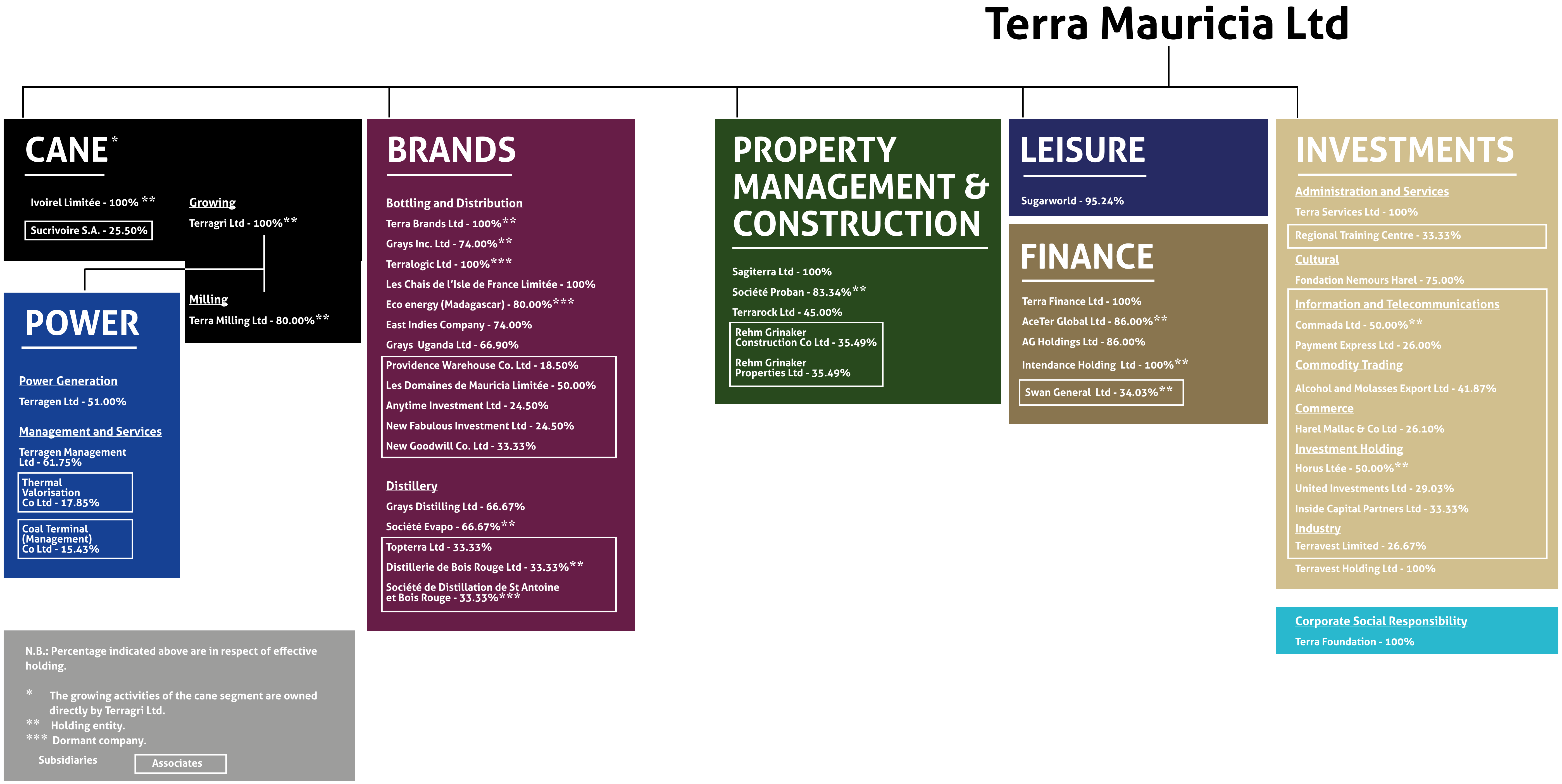
---

[1] http://terra.co.mu/investors-corner/sustainability-reports.aspx

CONTENTS

GROUP STRUCTURE

G4-4 G4-9



Terra Mauricia Ltd

CANE*

Ivoirel Limitée - 100% **

Sucrivoire S.A. - 25.50%

Growing

Terragri Ltd - 100%**

Milling

Terra Milling Ltd - 80.00%**

POWER

Power Generation

Terragen Ltd - 51.00%

Management and Services

Terragen Management Ltd - 61.75%

Thermal Valorisation Co Ltd - 17.85%

Coal Terminal (Management) Co Ltd - 15.43%

BRANDS

Bottling and Distribution

Terra Brands Ltd - 100%**

Grays Inc. Ltd - 74.00%**

Terralogic Ltd - 100%***

Les Chais de l'Isle de France Limitée - 100%

Eco energy (Madagascar) - 80.00%***

East Indies Company - 74.00%

Grays Uganda Ltd - 66.90%

Providence Warehouse Co. Ltd - 18.50%

Les Domaines de Mauricia Limitée - 50.00%

Anytime Investment Ltd - 24.50%

New Fabulous Investment Ltd - 24.50%

New Goodwill Co. Ltd - 33.33%

Distillery

Grays Distilling Ltd - 66.67%

Société Evapo - 66.67%**

Topterra Ltd - 33.33%

Distillerie de Bois Rouge Ltd - 33.33%**

Société de Distillation de St Antoine et Bois Rouge - 33.33%***

PROPERTY MANAGEMENT & CONSTRUCTION

Sagiterra Ltd - 100%

Société Proban - 83.34%**

Terrarock Ltd - 45.00%

Rehm Grinaker Construction Co Ltd - 35.49%

Rehm Grinaker Properties Ltd - 35.49%

LEISURE

Sugarworld - 95.24%

FINANCE

Terra Finance Ltd - 100%

AceTer Global Ltd - 86.00%**

AG Holdings Ltd - 86.00%

Intendance Holding Ltd - 100%**

Swan General Ltd - 34.03%**

INVESTMENTS

Administration and Services

Terra Services Ltd - 100%

Regional Training Centre - 33.33%

Cultural

Fondation Nemours Harel - 75.00%

Information and Telecommunications

Commada Ltd - 50.00%**

Payment Express Ltd - 26.00%

Commodity Trading

Alcohol and Molasses Export Ltd - 41.87%

Commerce

Harel Mallac & Co Ltd - 26.10%

Investment Holding

Horus Ltée - 50.00%**

United Investments Ltd - 29.03%

Inside Capital Partners Ltd - 33.33%

Industry

Terravest Limited - 26.67%

Terravest Holding Ltd - 100%

Corporate Social Responsibility

Terra Foundation - 100%

N.B.: Percentage indicated above are in respect of effective holding.

* The growing activities of the cane segment are owned directly by Terragri Ltd.

** Holding entity.

*** Dormant company.

Subsidiaries

Associates

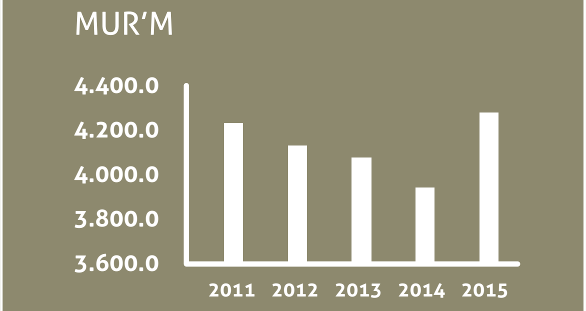
List of Acronyms

ACP	African Caribbean and Pacific Group of States
ADSP	Association for Disability Service Providers
AFNOR	*Association Française de Normalisation*
AMCO	Alcohol & Molasses Export Ltd
AML/CFT	Anti-Money Laundering / Combating the Financing of Terrorism
ANFEN	Adolescent Non-Formal Education Network
APEBS	*Association des Parents d'Enfants à Besoins Spéciaux*
ARISE	*Accompagnement, Réhabilitation et Insertion Sociale des Enfants*
BOM	Bank Of Mauritius
BPS	*Bon et Perpétuel Secours*
BRC	British Retail Consortium
BSSD	Bagged Sugar Storage & Distribution Co Ltd
CBO	Carbon Burn-Out
CEB	Central Electricity Board
CFA	*Communauté Financière d'Afrique*
CMS	Concentrated Molasses Stillage
CO_2	Carbon Dioxide
COLA	Cost Of Living Allowance
CPE	Certificate of Primary Education
CSR	Corporate Social Responsibility
ECOWAS	Economic Community Of West African States
EPA	Environment Protection Act
EU	European Union
EUR	Euro
FIAMLA	Financial Intelligence and Anti Money Laundering Act
FSA	Financial Services Act
FSC	Financial Services Commission
GBC	Global Business Companies
GRI	Global Reporting Initiative
GHG	Green House Gas
GJ	Giga Joules
GWh	Giga Watt per Hour
HACCP	Hazard Analysis and Critical Control Points
HIV	Human Immunodefiency Virus
ILO	International Labour Organisation

List of Acronyms (cont'd)

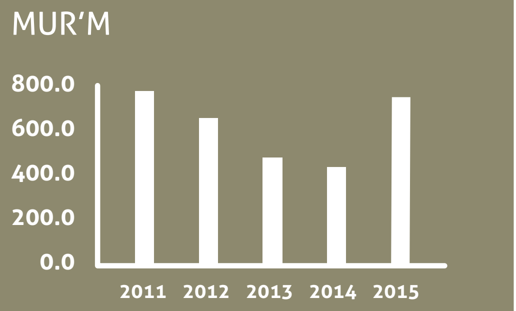
IPCC	Intergovernmental Panel on Climate Change
IPP	Independent Power Producer
ISO	International Organisation for Standardisation
KWh	Kilo Watt per Hour
KPI	Key Performance Indicator
LDC	Least Developed Countries
LEAD	Leadership and Empowerment for Action and Development
LMC	LMC International Ltd
MAA	*Mouvement pour l'Autosuffisance Alimentaire*
MCIA	Mauritius Cane Industry Authority
MSPA	Mauritius Sugar Producers Association
MSS	Mauritius Sugar Syndicate
MUR	Mauritian Rupee
MW	Mega Watt
MWF	Mauritian Wildlife Foundation
NGO	Non-Governmental Organisation
NO_x	Nitrous Oxide
NPCC	National Productivity and Competitiveness Council
OHSAS	Occupatinal Health and Safety Management System
OSH	Occupational Safety and Health
PM	Particle Matter
QSE	Quality, Security and Environment
SAFIRE	*Service d'Accompagnement, de Formation, d'Intégration et de Réhabilitation de l'Enfant*
SEDEX	Supplier Ethical Data Exchange
SEED	*Services d'Ecoute et de Développement*
SEM	Stock Exchange of Mauritius
SIFB	Sugar Insurance Fund Board
SIFCA	*Société Immobilière et Financière de la Côte Africaine*
SKU	Stock Keeping Unit
SMETA	Sedex Members Ethical Trade Audit
SO_2	Sulphur Dioxide
TIPA	Terrain for Interactive Pedagogy through Arts
UNFCCC	United Nations Framework Convention on Climat Change
USD	United States Dollar
ZEP	*Zone d'Education Prioritaire*

FINANCIAL HIGHLIGHTS
(Group)



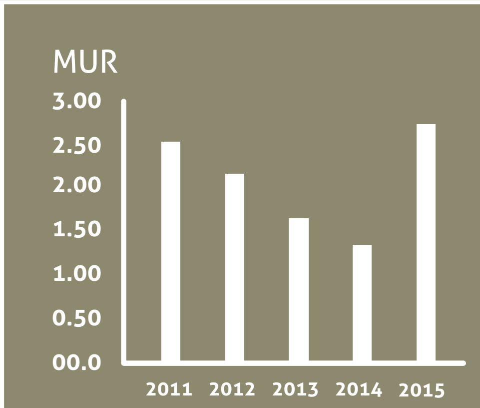
TURNOVER G4-9

	MUR’ M	EUR’ M*	USD’ M*
2011	**4,222.7**	**111.24**	**143.97**
2012	**4,185.5**	**103.76**	**137.07**
2013	**4,078.0**	**98.60**	**135.23**
2014	**3,905.4**	**101.77**	**123.45**
2015	**4,282.7**	**107.26**	**117.23**



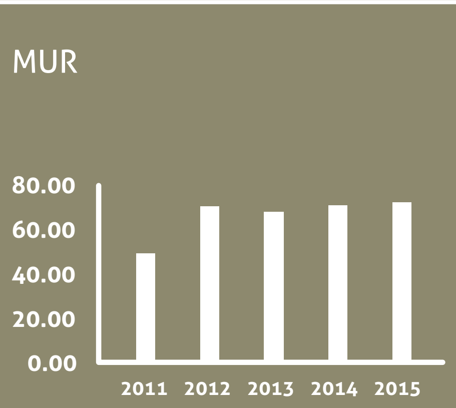
PROFIT AFTER TAXATION

	MUR’ M	EUR’ M*	USD’ M*
2011	**760.6**	**20.04**	**25.93**
2012	**653.7**	**16.20**	**21.41**
2013	**466.1**	**11.27**	**15.46**
2014	**432.2**	**11.26**	**13.66**
2015	**726.4**	**18.19**	**19.88**



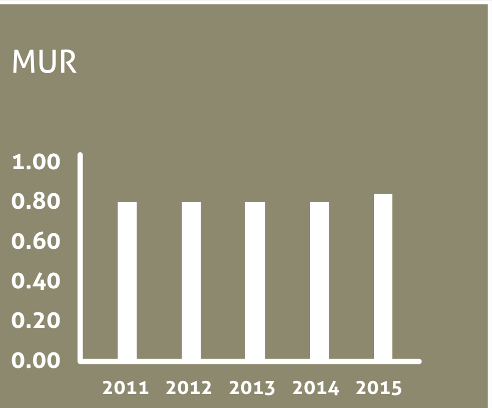
EARNINGS PER SHARE

	MUR	EUR*	USD*
2011	**2.56**	**0.067**	**0.087**
2012	**2.20**	**0.055**	**0.072**
2013	**1.58**	**0.038**	**0.052**
2014	**1.39**	**0.036**	**0.044**
2015	**2.62**	**0.066**	**0.072**



NET ASSETS PER SHARE

	MUR	EUR*	USD*
2011	**52.60**	**1.386**	**1.793**
2012	**72.40**	**1.795**	**2.371**
2013	**71.89**	**1.738**	**2.384**
2014	**72.54**	**1.890**	**2.293**
2015	**74.10**	**1.856**	**2.028**



DIVIDEND PER SHARE

	MUR	EUR*	USD*
2011	**0.80**	**0.021**	**0.027**
2012	**0.80**	**0.020**	**0.026**
2013	**0.80**	**0.019**	**0.027**
2014	**0.80**	**0.021**	**0.025**
2015	**0.85**	**0.021**	**0.023**

***: The exchange rates used are those of the respective reporting years**

SHARE ANALYSIS

Distribution of shareholders of Terra Mauricia Ltd at 31 December 2015

Relative comparison between range of shareholders and shareholding

Range of shareholding

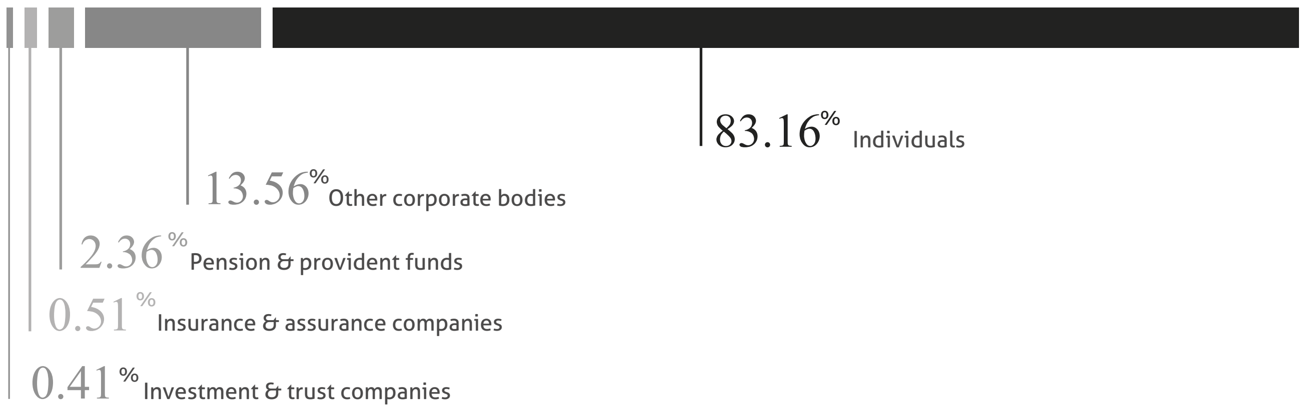
RANGE OF SHAREHOLDERS	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 500	561	28.81%	96,776	0.04%
501 - 1,000	151	7.76%	129,322	0.06%
1,001 - 5,000	405	20.80%	1,089,109	0.48%
5,001 - 10,000	207	10.63%	1,503,029	0.66%
10,001 - 50,000	341	17.51%	7,873,066	3.46%
50,001 - 100,000	75	3.86%	5,286,841	2.32%
100,001 - 250,000	75	3.86%	12,393,602	5.48%
250,001 - 500,000	55	2.82%	19,793,915	8.70%
500,001 - 1,000,000	30	1.54%	20,695,393	9.09%
Over 1,000,000	47	2.41%	158,684,571	69.74%
TOTAL	**1,947**	**100.00%**	**227,545,624**	**100.00%**

Shareholders' spread

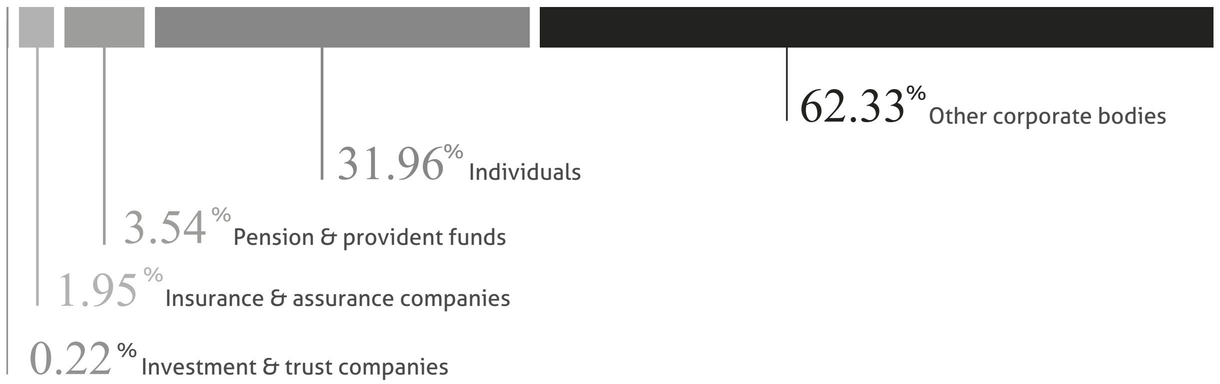
To the best knowledge of the directors, the spread of shareholders at 31 December 2015 was as follows:

	SHAREHOLDERS		SHARES HELD	
	Number	%	Number	%
Individuals	1,619	83.16	72,719,359	31.96
Insurance & assurance companies	10	0.51	4,440,890	1.95
Pension & provident funds	46	2.36	8,049,728	3.54
Investment & trust companies	8	0.41	492,967	0.22
Other corporate bodies	264	13.56	141,842,680	62.33
	1,947	**100.00**	**227,545,624**	**100.00**

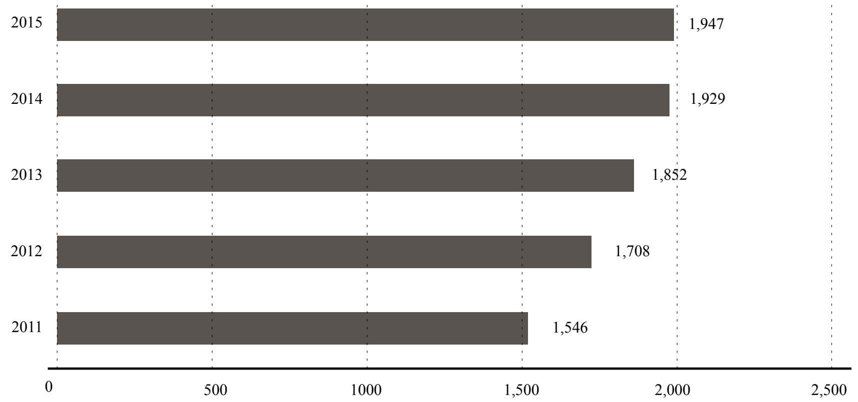
Distribution of shareholders



Shareholders' spread



Evolution in the number of shareholders as at 31 December

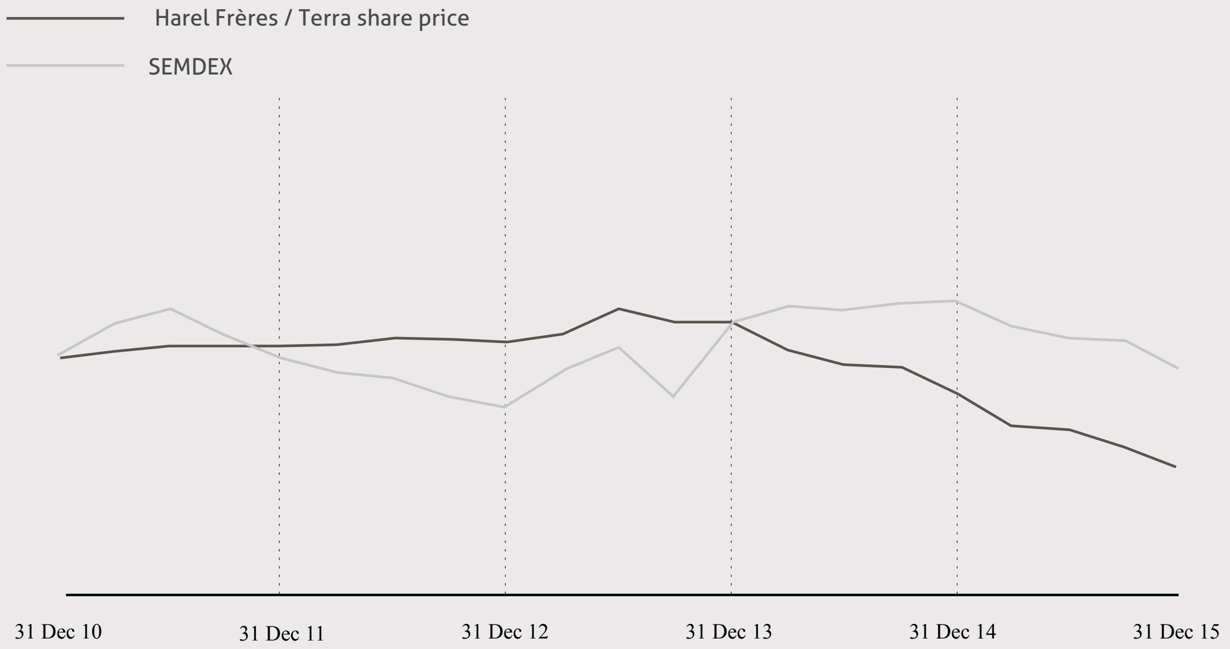


The number of shareholders of Terra was 1,969 as at 30 April 2016.

Stock Exchange performance

2015 was yet another difficult year for companies involved in the sugar sector. Terra pursued its declining trend, losing 13.6% from the beginning of the year to MUR 28.50 at year end. Since then, the share price has picked-up to MUR 30.25. The stock saw 6.0 million shares exchanged in 2015 with value traded amounting to MUR 181.7 million, representing 1.0% of the total market turnover. The Terra share remained volatile trading between MUR 28.00 and MUR 34.00, while Volume Weighted Average Price stood at MUR 30.25. Terra closed the year as the tenth largest market capitalisation of the Official Market. It has dropped out of the Sem-10 index for the first quarter of 2016 but has been reintegrated in the second quarter.

Relative quarterly movement of Semdex and Harel Frères / Terra share price



	2011	2012	2013	2014	2015
SEMDEX (Points)					
- Year End Closing	1,888.38	1,732.06	2,095.69	2,073.72	1,811.07
SHARE PRICE (MUR)					
- Year End Closing Price	38.20	38.50	39.00	33.00	28.50
- High	39.10	41.50	42.60	39.30	33.50
- Low	36.50	37.20	38.50	33.00	28.00

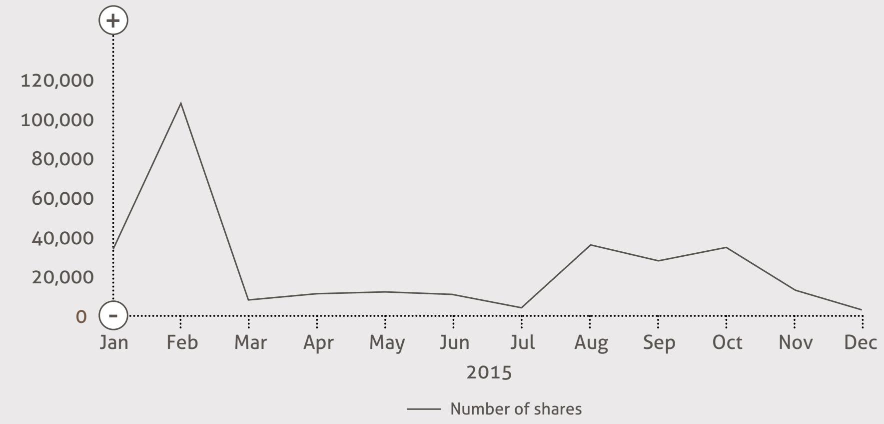
Note: The Terra share price was MUR 30.25 on 11 May 2016.

YIELDS					
- Earnings Yield %	6.70%	5.71%	4.10%	4.21%	9.19%
- Dividend Yield %	2.09%	2.08%	2.05%	2.42%	2.98%
Price Earnings Ratio	14.92	17.50	24.38	23.74	10.88

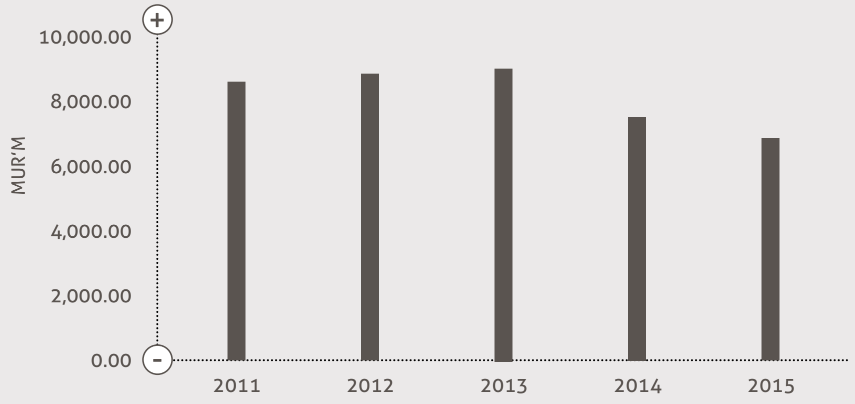
Average volume traded monthly on the Stock Exchange in 2015

2015

	Volume traded
Jan	34,756
Feb	108,370
Mar	9,898
Apr	11,576
May	12,544
Jun	11,516
Jul	3,719
Aug	36,917
Sep	28,346
Oct	34,038
Nov	12,349
Dec	1,826



Market capitalisation G4-9



	MUR' M	EUR' M*	USD' M*
2011	8,692.24	217.69	237.94
2012	8,760.51	219.40	239.81
2013	8,874.28	222.25	242.92
2014	7,509.01	188.06	205.55
2015	6,845.05	171.43	187.38

*: The exchange rates used are those for the year 2015 as displayed on page 15.

The market capitalisation of Terra on 11 May 2016 was MUR 6,883.26 million.

Main exchange rates to the Rupee

Consolidated Average Indicative Selling Rates
(Source: Bank of Mauritius on http://bom.intnet.mu)

Currency	31 December 2014	31 December 2015
Euro	38.375	39.9291
US Dollar	31.635	36.5312
GB Pound	49.125	54.1468
SA Rand	2.725	2.3746

Shareholders' calendar and relations

Financial year-end	31 December
Publication of yearly group abridged financial statements (audited)	Late March
Group audited annual financial statements available	Late March
Quarterly financial report - Q1 (unaudited)	Mid May
Annual report issued	Mid June
Annual meeting of shareholders	Late June
Quarterly financial report - Q2 (unaudited)	Mid August
Quarterly financial report - Q3 (unaudited)	Mid November
Dividend - declaration	Late November
- payment	Late December

Website: www.terra.co.mu
For more details on shareholders' relations and communication please refer to page 92.

Value added statement

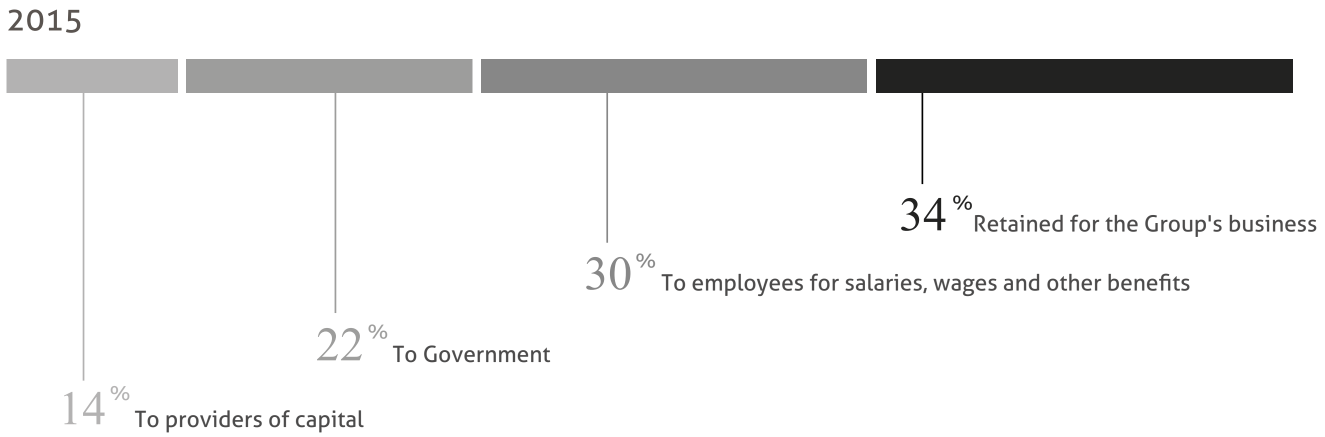
G4-EC1

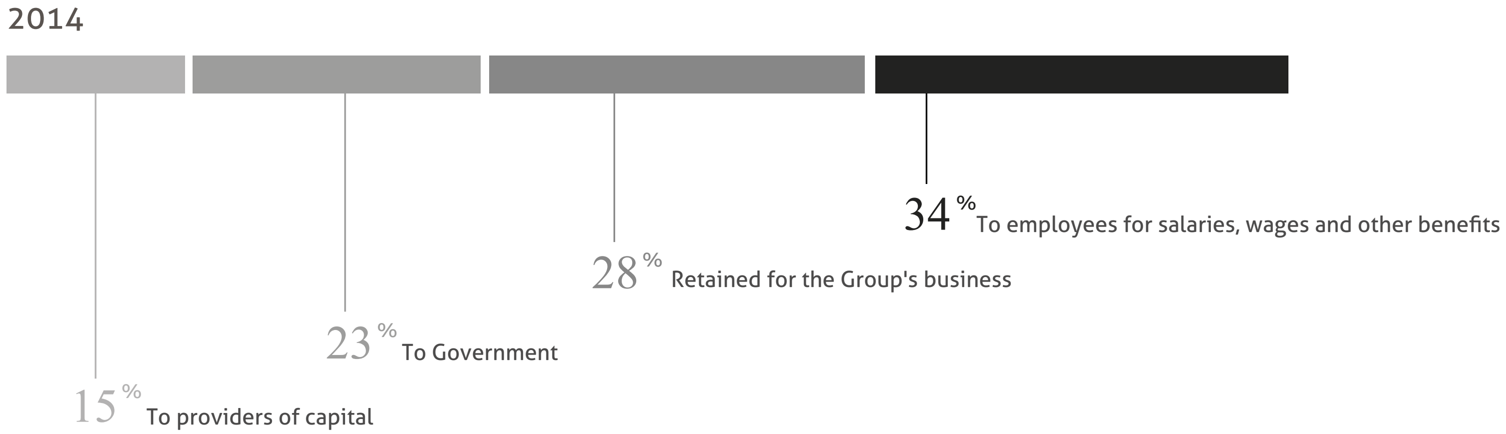
Group value added statement year ended 31 December 2015

		2015 MUR'M		2014 MUR'M
Turnover		**4,282.7**		3,905.4
Gains / (losses) in fair value		**50.5**		(103.7)
Other income		**189.6**		120.6
		4,522.8		3,922.3
Less: Paid to suppliers		**(1,698.1)**		(1,528.7)
TOTAL VALUE ADDED		**2,824.7**		2,393.6
WEALTH DISTRIBUTED				
To employees for salaries, wages and other benefits	**30%**	**843.7**	34%	813.9
To Government				
Taxes		**57.7**		34.0
Custom and Excise Duties		**570.8**		509.6
	22%	**628.5**	23%	543.6
To providers of capital				
Dividends to:				
Shareholders of Terra Mauricia Ltd		**193.4**		182.0
Outside shareholders of subsidiaries		**102.8**		108.0
Banks and other lenders		**88.5**		68.4
	14%	**384.7**	15%	358.4
Retained for the group's business				
Depreciation		**259.9**		248.6
Amortisation charge		**110.8**		111.8
Retained profits		**597.1**		317.3
	34%	**967.8**	28%	677.7
TOTAL DISTRIBUTED AND RETAINED		**2,824.7**		2,393.6

Value added statement (cont'd)

	2015	2014
To employees for salaries, wages and other benefits	**30%**	34%
To Government	**22%**	23%
To providers of capital	**14%**	15%
Retained for the Group's business	**34%**	28%
	100%	100%





CHAIRMAN'S MESSAGE

Daniel Nairac | Chairman

G4-13 G4-14 G4-DMA

Dear shareholder,

The results for 2015 were encouraging and a substantial improvement over 2014. This has brought a happy closure to the 22 years of distinguished service that Cyril Mayer spent at the helm of our Group. The period has seen Terra grow from a sugar-based family company to a large listed conglomerate ranking amongst the top market capitalisations on the Mauritius Stock Exchange. The new Managing Director, Nicolas Maigrot, joined the Group in October 2015 and took over in January 2016 from Cyril Mayer, who relinquished his duties at the end of 2015 for a three months pre-retirement leave. The Board and myself are confident that, in appointing Nicolas Maigrot at its helm, the Group can rely on a seasoned professional who, from the strong financial base left by his predecessor, will steer our fortunes along new avenues to new heights.

The year's financial performance was marked by an increase in turnover of over 9%, with Group profit after tax rising by MUR 294.2 million to MUR 726.4 million. Terra's earnings per share and net assets per share showed marked increases to MUR 2.62 and MUR 74.1 respectively. The dividend was raised by 5 cents per share to 85 cents. This achievement was possible in spite of a challenging background both internationally and in Mauritius.

The turnaround in the Group's profitability was mainly attributable to the sugar cluster. It included a favourable standing-crop valuation, was also supported by a better sugar price in Mauritius, as well as by stable and positive operational results in Côte d'Ivoire and the final reversal of the impairment of this investment in Terra's books. Other major clusters (Power, Brands and Other Investments and Associates) posted levels of profit after tax that matched or outperformed 2014's levels. The details of these achievements are set out in the body of this Report. The Group's balance sheet is presently very strong, with borrowing levels kept relatively low. This means that there is room for stretching gearing levels to support the Group's expansion through projects with high growth potential.

Main events in 2015

2015 was a year of change and it is therefore useful to summarise some of the events that had an important impact on the Group.

The sugar cluster

On the institutional front, the decision to dismantle the Mauritius Sugar Producers Association (MSPA) marked the end of an era for the sugar industry. It had already crossed major milestones in its endeavour to reinvent itself from a sugar-producing industry to a modern and integrated cane industry. However, the sugar industry has not yet completed its transformation into a fully-fledged "normalised" industry, equipped to compete with the world's most productive players. There are many areas where the industry is still restrained by historical factors.

We would therefore urgently invite the authorities to address areas where reforms are critical so that the transition towards sustainability can be completed. This entails providing the industry with a liberalised legal framework comparable to the ones in which our competitors operate. Such a framework can become a springboard for giving Mauritius a global leadership role in using its cane-processing expertise for the benefit of the country and of all the industry's stakeholders.

Sustainability, governance and ethics

The Group's year was also marked by several achievements in the context of sustainability, governance and ethics.

The company was successfully integrated into the Stock Exchange Sustainability Index (SEMSI) during 2015 and shareholders can now opt to receive the Annual Report in an electronic format. With regards to sustainability, for its Year of Innovation Terra organised an internal competition for employees (Innov@Terra) which focused staff attention on value creation and on the importance of innovation. This exercise saw the emergence of numerous ideas and suggestions, many of which are being considered for implementation in the relevant clusters. We also crossed another milestone in sustainability reporting, with this topic now fully integrated into the Annual Report for the second year. Since 2013, this reporting standard has supported a transparent communication process with all stakeholders on operations and on their impact on the economy, society and the environment. It also conveyed our commitment to transforming the Group's vision into reality.

In matters of governance, Terra is proud to report that, for a fourth time, it won an award for its corporate governance disclosures. We made significant progress in the fields of ethics with the rolling out of a revamped Group Code of Ethics. The whistle-blowing mechanism provided therein, designed with the close collaboration of Transparency Mauritius, yielded substantial results and allowed for many practical improvements.

The way forward G4-1

Our corporate offices will move very soon from Port-Louis to Beau Plan in the North, closer to our operational units and at the heart of our future property development project.

Management is presently at the drawing-board stage of crafting a new strategy that will help steer the Group through the challenges ahead. It aims at consolidating our core businesses and strengthening our know-how.

In addition, an expert in sustainable strategies will be hired to support Management in ensuring that sustainability occupies centre-stage in this strategic-thinking exercise. The Group's entities are committed to an inclusive approach in planning and encouraging the participation of internal and external stakeholders in its design. This approach also hinges on the development of tailor-made performance-management systems geared to the specific needs of the Group's employees and stakeholders. The details of this strategy will be finalised shortly and will be implemented in 2016 and the years to come.

Thanks

I wish to convey my heartfelt thanks to the Board of Directors who actively guided and supported Management throughout the year. Special thanks go to François Montocchio, who will not be renewing his mandate this year. His contribution for many years as an independent director on the Board and on various committees has been highly appreciated. Management and staff also have my warm congratulations and I thank them on behalf of the Group and myself for their hard work and efforts which greatly contributed to the year's results.

I extend my best wishes to Cyril Mayer for a well-deserved new life after retirement. I wish all the best to Nicolas Maigrot in his endeavour to shape the Group's destiny in a challenging context. I also would like to announce that I am stepping down as Chairman and this is the last annual report that I sign. I take the opportunity to wish our shareholders, employees and stakeholders a brilliant future with Terra. I am confident that, in its commitment to the same tried principles and values that have driven Terra for the last 178 years, Management is well-equipped to Re-invent the Future.

Daniel L Nairac,
Chairman of the Board
11 May 2016

> ***The sugar industry has not yet completed its transformation into a fully-fledged "normalised" industry.***

MANAGING DIRECTOR'S REPORT

Nicolas Maigrot | Managing Director

G4-13 G4-DMA

Having only recently taken up the post of Managing Director, I particularly welcome the opportunity provided by this 2015 annual report to address our shareholders and stakeholders for the first time.

As you will appreciate in reading this report, it is since January 2016 that I have been given the responsibility for driving a Group that has been under the leadership of Cyril Mayer for the past 22 years. We wish to thank him for his commitment and leadership in making Terra become a dynamic and diversified Group. The Group has developed a wide range of activities around the cane industry, that has built solid know-how in its various lines of business and that has shown impressive resilience over the years. The Group also holds a remarkable reserve of immovable assets that are yet to be developed but which, in time, will deliver value for our shareholders.

G4-1

With the support of the Board of Directors and of our executive team, our mission for the coming years will be to execute a strategy underpinned by two critical success factors. First, we want to consolidate our core competencies in building integrated businesses that maximise value from our sugarcane resources and tap into international opportunities for the development of these integrated activities. Second, we want to transform our land-rich asset base into revenue-generating businesses.

Integrated cane businesses

I have been impressed by the degree to which our business units have shown creativity, ingenuity and commitment to optimising value creation throughout the sugarcane process. To date, Terra has developed strong expertise in growing sugarcane and transforming it into sugar. We have moved up the value ladder to become a leading producer of specialty sugars (70,079 tonnes in 2015).

Terra is also successful at using the cane plant and its by-products to produce energy from the bagasse, alcohol and fertilisers from the molasses and to extract carbon from its fly ashes. Additionally, we have developed a significant know-how in the distribution of branded products, which has supported our expansion into the consumer goods and cosmetics markets.

We believe that Terra's leadership in integrating activities around the cane industry will be the driving force behind our international expansion. Indeed, as climate change takes centre-stage in global developmental strategies, there is a growing need for expertise in building sustainable agricultural and industrial practices. We are considering opportunities for the development of strategic partnerships in these aspects of businesses.

While business integration skills support our Group's long-term goals, the short-term prospects for the sugar industry in Mauritius remain a cause for concern. Although 2016 sugar prices should be better, the abolition of quotas in the European Union in 2017 will result in greater competitive pressure on our sugar sales. We are leaving no stone unturned in respect of productivity levels. Together with the Mauritius Sugar Syndicate, we need to determine a strategy to enhance value creation in the specialty sugar sector. We aim to better control the value chain and consider the branding of our products.

We welcome the government's decision to build a single price-setting mechanism for the sale of molasses. This will place all producers on a level-playing field. However, we remain concerned by the present allocation of factory areas in the North that results in a sub-optimal use of Mauritius' milling facilities, as our factory's milling potential is higher than the sugar cane resources that are directed to it.

We are very satisfied with the performance of our sugar operations in Côte d'Ivoire. As the country is enjoying greater political stability, we would like to expand the scope of the partnership that we have set up to manage the Sucrivoire sugar estates. We believe that this project can be the springboard for transferring our expertise in the integration of businesses around cane-growing activity into new markets.

On the energy side, Terragen's production is nearing peak potential, although we believe that there is still room for further development of this business by finding other sources of biomass to produce green energy. We are also working towards the sharing of expertise between Terragen and our milling factory in order to enhance the factory's energy efficiency.

Grays posted very good results in 2015. The commercial business unit is growing successfully with the addition of new food and personal care brands, backed by convincing marketing strategies. Although profits were eroded by operational set-backs in the distilling business, the overall performance was very satisfactory.

Land development

The opening of the newly-built Terre Rouge-Verdun road has set the stage for unlocking value in Terra's lands in the North. The timing is therefore optimal for setting ambitious development goals for our land-development businesses. We have developed a real-estate cluster which will make use of Sagiterra's expertise to spearhead this strategy. Our focus will be on streamlining its operation and strengthening its management team with local and international expertise. We also want to launch innovative projects on our lands, such as the project to build the African Leadership University.

Investments

Terra holds a diversified portfolio of investments that contributed up to MUR 238.0 million to Group profits. The main contributors were the Swan Group, which, from its strong local base, is looking outside Mauritius, and United Investments, which is working towards the obtention of a banking licence for its financial services cluster. It has to be noted that, during the year, USD 3.80 million were invested in Payment Express, a credit card settlement processing company and MUR 14.0 million in Inside Capital Partners, an equity fund management company in partnership with United Investments. An amount of USD 10 million has also been committed to the fund.

I would like to end by thanking my team for their warm welcome and strong commitment to working together. In redesigning the Group's strategic orientations and in drawing up new execution plans, we are now called on to strengthen our core competencies and to explore new roads to performance. In so doing, we are embarking on an exciting journey where organisational development and personal development go hand in hand. I look forward to writing with the team this new page in Terra's long history.
For the future. From 1838

Nicolas Maigrot
Managing Director
11 May 2016

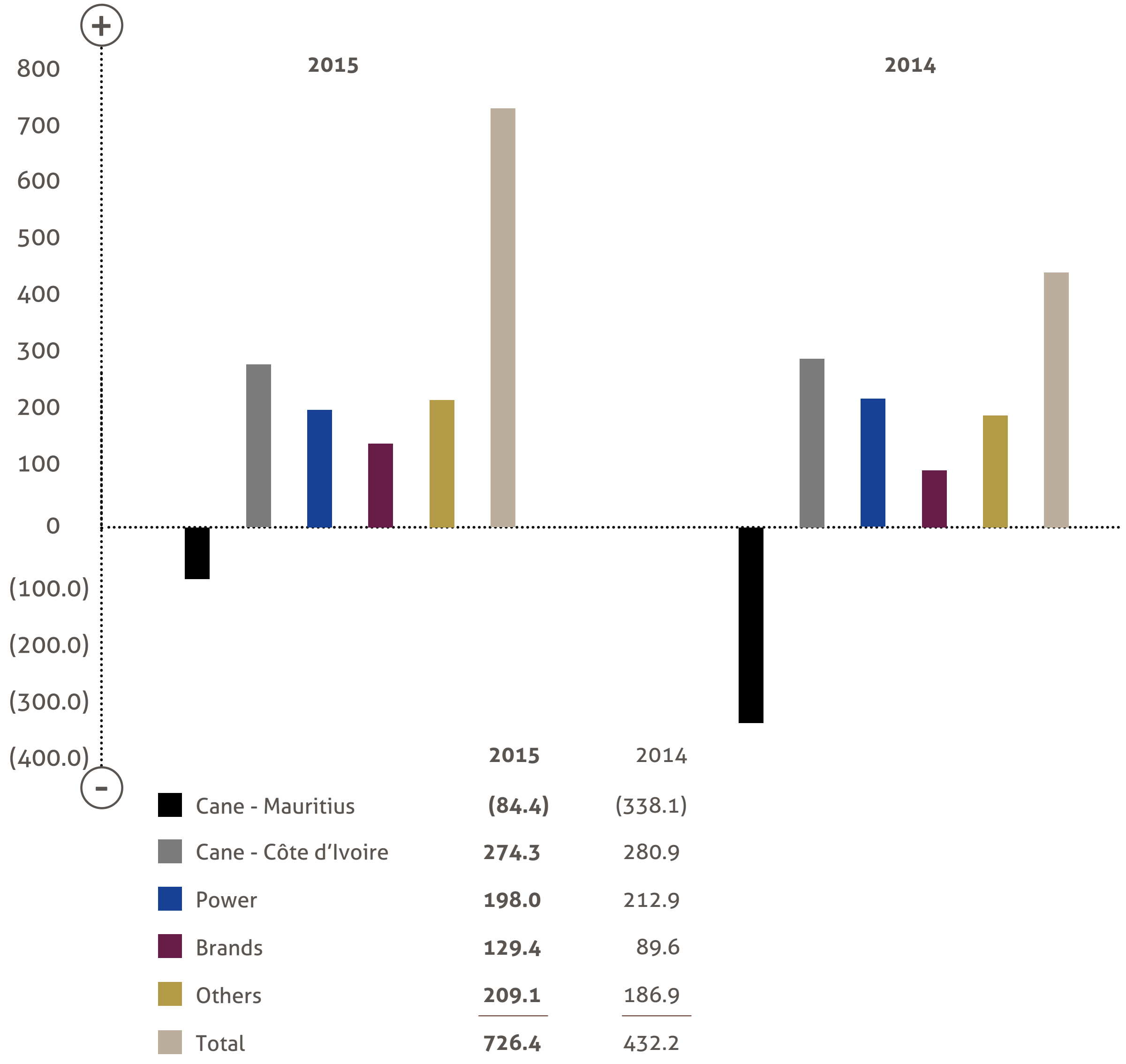
Financial review

Income Statement G4-9 G4-13

Compared to 2014, Group revenue increased by 9.7% to MUR 4,282.7 million, whilst Group profit after tax increased by 68.1% to MUR 726.4 million. This is mainly attributable to reduced losses recorded in the sugar segment as a result of a favourable standing crop valuation (gain in fair value of MUR 50.5 million in 2015 as opposed to a loss of MUR 103.7 million in 2014), a better ex-syndicate sugar price, a refund of the SIFB premium in respect of the 2014 crop and curtailment of certain operational expenditure. Nevertheless, local sugar operations remain under threat with a loss of MUR 84.4 million and heavy indebtedness.

Terra expects sugar prices to increase moderately as from 2016 and is doing its utmost to improve the efficiency of its growing and milling operations to ensure that sugar remains a viable activity.
Group segmental results are disclosed below and are further analysed in the Review of Operations section of this report.

Segmental analysis-Profit after tax (MUR'M)



	2015	2014
■ Cane - Mauritius	**(84.4)**	(338.1)
■ Cane - Côte d'Ivoire	**274.3**	280.9
■ Power	**198.0**	212.9
■ Brands	**129.4**	89.6
■ Others	**209.1**	186.9
■ Total	**726.4**	432.2

Income statement (cont'd)

Overall earnings attributable to equity holders increased to 597.1 million, an improvement of MUR 279.8 million on 2014 and impacted positively on earnings per share which stand at MUR 2.62, compared to MUR 1.39 in 2014.

Given the Group's policy of maintaining a sustainable dividend and the overall improvement in results, the directors decided to increase the dividend by 5 cents to 85 cents per share in 2015. Accordingly, a dividend of MUR 193.4 million (MUR 0.85 per share) was declared and paid in December 2015.

Balance Sheet

The balance sheet remains strong. Shareholders' funds increased by MUR 353.2 million to MUR 16,855.1 million and MUR 74.1 when expressed on a per share basis, compared to MUR 16,501.9 million and MUR 72.5 respectively in 2014. Current and non-current borrowings, used to support the Group's investment strategy, stand at MUR 1,977.6 million (2014: MUR 1,600.0 million). Cash and cash equivalents have increased from MUR 115.2 million to MUR 133.0 million, while current assets at year-end show a surplus of MUR 25.9 million over current liabilities.

Cash Flow

As a result of improved performance, the net cash flow from Group operating activities increased by MUR 167.4 million to MUR 379.4 million. Regarding the Group's investing activities, recurrent outflows amounting to MUR 379.3 million were devoted to the purchase of plant and equipment, replantation costs and land development. The Group also invested a sum of MUR 212.2 million in associate companies Payment Express, Inside Capital and Terravest.

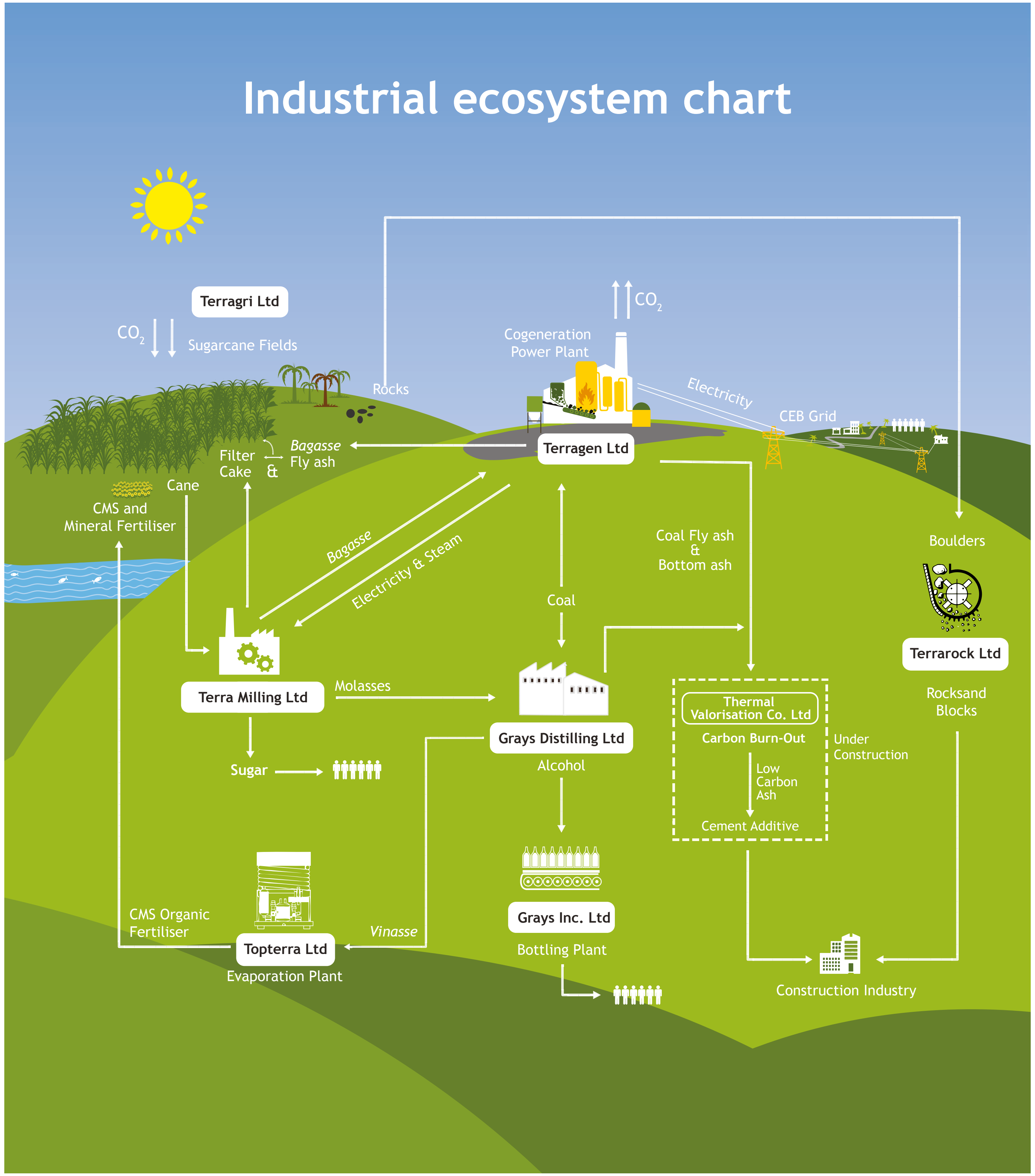
Inflows amounted to a total of MUR 295.4 million and consisted mainly of dividends, interest received and proceeds on disposal of property and non-core investments.

On the financing side, borrowings of MUR 320.2 million were raised during the year. MUR 61.6 million went towards the servicing of loans. Overall cash and cash equivalents decreased by MUR 76.4 million during the year, after the payment of MUR 296.2 million as dividends both to Terra shareholders and minority shareholders in subsidiaries.

Prospects for 2016

At present, the Mauritian economy is recording subdued GDP growth rates, falling inflation and narrowing trade and current account deficits. Statistics Mauritius is currently forecasting a growth rate of 3.9%. The Bank of Mauritius (BoM) is expected to further reduce interest rates in support of economic growth. In November 2015, the BoM key repo rate was reduced by 25 basis points to 4.40%, the first change since 2013.

Terra anticipates an improvement in the performance of its sugar operations, driven by better sugar prices. As international stock levels decrease, the forecast is for stronger demand for sugar. Locally, the Group is striving to curtail production costs and pursue stringent treasury management. It expects the demand for electricity to remain stable and it is well poised to produce and provide electricity to the grid at a competitive price. Our brands cluster remains focussed on increasing its product margins via improved productivity. The Group is also restructuring its real-estate cluster in order to tap into the potential for property development, including the Smart City projects earmarked in Beau Plan. Meanwhile, its other investments in the financial, commercial and construction industry are sound and are expected to deliver reasonable profitability in the coming year.



Industrial ecosystem chart

06:35

Cane

Operational review

Cane

Improved profitability G4-DMA

The cane business segment recorded a better performance in 2015 owing to slightly higher prices for sugar on the local market and a favourable revaluation of standing crop assets. A large portion of profits came from Terra's associate company, Sucrivoire, whose steady performance within a stabilised political environment allowed Terra to reverse the impairment in value of the investment in this company made during the period of political disturbance in Côte d'Ivoire.

The profit for this segment amounted to MUR 189.9 million, a recovery from a MUR 57.2 million loss in 2014.

The international sugar market G4-13

The global sugar market has seen sugar surpluses for the last five years resulting in a record stock of 85 million tonnes of sugar on the world market, not absorbed by annual increases in consumption. This, coupled with the depreciation of the Brazilian currency, drove world prices as quoted on the New York raw sugar futures market to hit a record low of USD 223/tonne, well below the production costs of most sugar producers.

The price of sugar on the EU market, which remains the main export destination for Mauritian sugars, also followed this downward trend. The price for Mauritian sugar sold by the Mauritius Sugar Syndicate dropped by 107 euros per tonne for white sugar and 55 euros per tonne for specialty sugars. In December 2015, this translated into an average price of MUR 13,200 per tonne of sugar accruable to producers, as compared to MUR 12,693 in 2014. This increase is partly explained by an increase in sugar price which was secured in Europe, more favourable euro-rupee parity for the year, as well as an overall reduction in sea freight cost which lead to an improvement in the net price accruable to Mauritian producers.

A turnaround in the world sugar cycle is expected as from 2015/16, with the International Sugar Organisation (ISO) forecasting a global deficit of 3.5 million tonnes, which is expected to tighten further to 7 million tonnes in the next marketing year. Unfortunately this will not have a significant impact on revenues for 2016, as most supply contracts negotiated by the Mauritius Sugar Syndicate were finalised for the 2015/16 year in unfavourable market conditions. However, we view this turnaround as a welcome improvement in market conditions, allowing for a more optimistic outlook in years to come.

Given the further erosion of EU trade preferences with the liberalisation of production quotas in October 2017, the Syndicate has sought added flexibility for the sale of its sugars. As for the specialty sugars, for which annual contracts are negotiated with a range of buyers, at least one third of the white refined sugar produced locally will be sold on a short-term basis, thus keeping the option of selling either in EU or in non-EU destinations, depending on the most remunerative options. The remaining white sugar has been contracted till September 2019 with two EU commercial partners, British Sugar for 100,000 tonnes and CristalCo for 130,0000 tonnes, in preparation for the post-2017 market liberalisation period.

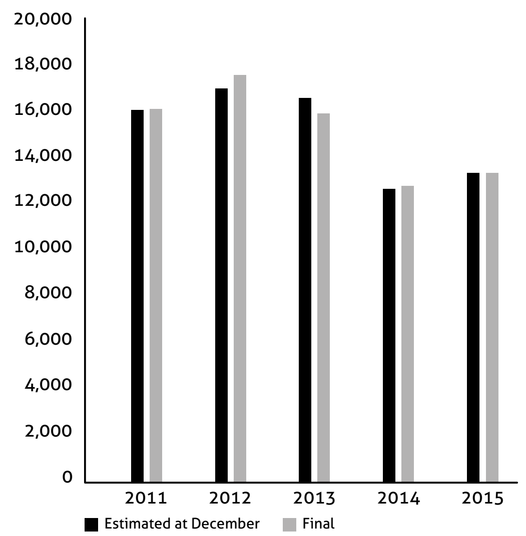
Sugar operations in Mauritius G4-8

Sugar accruing to the Group in 2015 amounted to 49,976 tonnes, with 29,674 tonnes attributable to growing operations and 20,302 tonnes to the mill, compared to 49,794 tonnes for 2014 with 29,716 tonnes attributable to the growing operations and 20,078 tonnes attributable to the mill. The price of sugar in Terra's books for 2015 stands at MUR 13,200 per tonne, as compared to MUR 12,500 per tonne for 2014.

Terra's cane operations in Mauritius posted a loss of MUR 84.4 million which is an improvement compared to the loss of MUR 338.1 million in 2014. This is mainly attributable to a favourable standing crop valuation (gain in fair value of MUR 50.5 million in 2015 as opposed to a loss in fair value of MUR 103.7 million in 2014), a better ex-syndicate sugar price, a refund of the SIFB premium in respect of the 2014 crop and the curtailment of certain operational expenditure. Overall, Terra's local sugar operations still carry the burden of heavy indebtedness. This remains a major concern for Terra as it strives to adapt its business model to a new operational environment. As highlighted previously, bold and innovative measures need to be taken by all stakeholders to respond to the new competitive market environment prevailing in the EU sugar market. It is urgent for the authorities to address them as a matter of priority and give due consideration to the social repercussions of an ailing sugar industry.

Cane (cont'd)

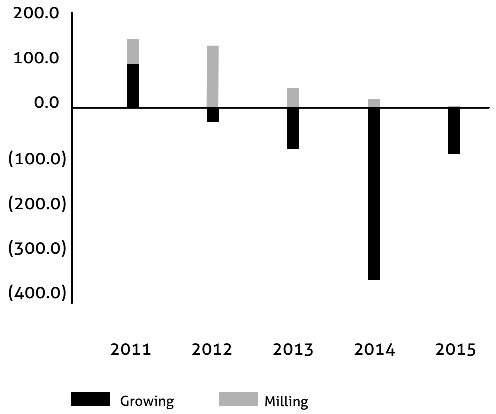
Sugar price (MUR per tonne)



	Final	Estimated at December
2011	16,020	16,000
2012	17,573	17,000
2013	15,830	16,500
2014	12,693	12,500
2015	13,200	13,200*

*: Estimated as at date of writing.

Profit after tax (MUR'M)



	Growing	Milling	Total
2011	83.9	57.9	141.8
2012	(21.2)	149.5	128.3
2013	(75.6)	40.7	(34.9)
2014	(354.6)	16.5	(338.1)
2015	(82.9)	(1.5)	(84.4)

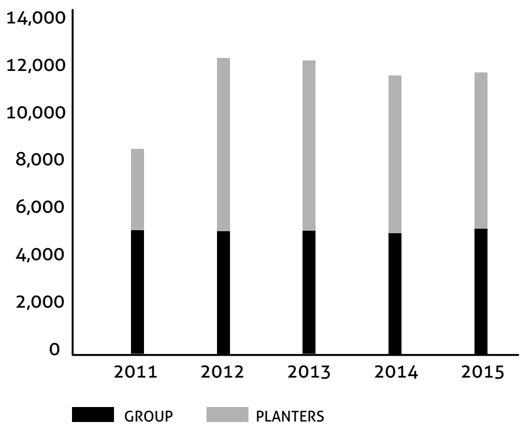
Growing activities

At 31 December 2015, Terragri had some 5,648 hectares of cane land under cultivation of which about 80% was fully mechanised and 42% under various forms of irrigation. The area harvested by the company was 4,985 hectares, while planters harvested an area of 6,718 hectares.

Terragri harvested some 391,116 tonnes of cane, an increase of 4.2% as compared to 2014, out of which 227,879 tonnes of sugar cane were mechanically harvested and 83,250 tonnes were contracted out following main engine failures on two harvesters. Terragri also harvested 35,500 tonnes for out-growers, out of which 10,670 tonnes were sub-contracted for the same reason. With a sugar recovery rate of 9.73 %, Terragri produced an average of 7.63 tonnes of sugar per hectare. This abnormally low yield is explained by the exceptionally low sugar recovery. This is mainly due to excessive rainfall, which is detrimental to sucrose accumulation. Island wise, the sugar recovery rate of 9.14 was the lowest since 1947. Reunion Island and other countries in the region also suffered from these extreme conditions in 2015.

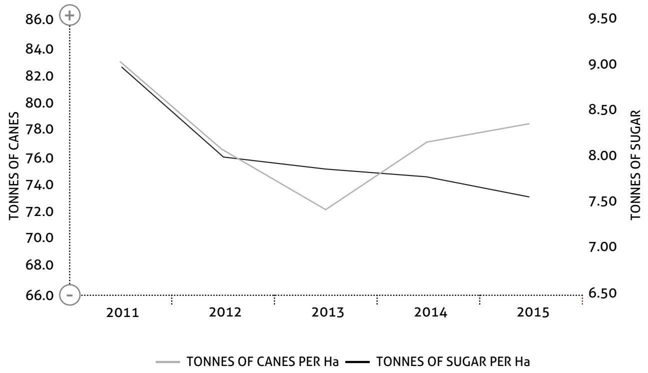
Cane (cont'd)

Harvest area (Hectares)



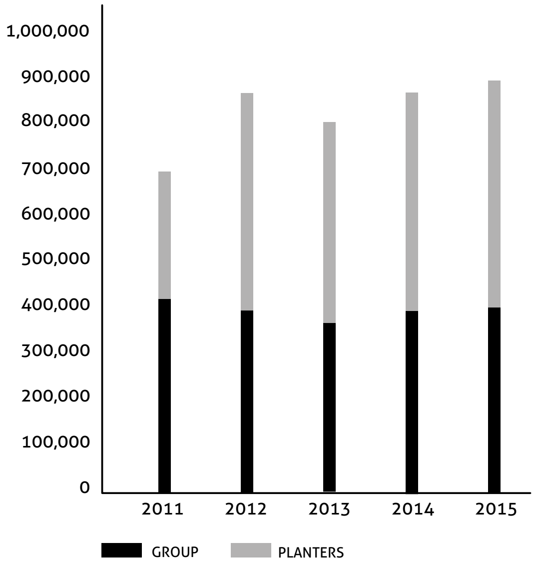
	Group	Planters	Total
2011	4,977	3,537	8,514
2012	4,933	7,539	12,472
2013	4,953	7,341	12,294
2014	4,856	6,718	11,574
2015	4,985	6,718	11,703

Yields per Hectare



	Tonnes of canes per Ha	Tonnes of sugar per Ha
2011	83.2	8.91
2012	76.5	8.05
2013	72.2	7.85
2014	77.3	7.77
2015	78.5	7.63

Canes harvested in the factory area (Tonnes)



	Group	Planters	Total
2011	414,443	268,029	682,472
2012	377,113	478,725	855,837
2013	357,353	442,792	800,144
2014	375,345	488,830	864,175
2015	391,116	492,288	883,404

Milling

Terra produced 91,878 tonnes *tel quel* of sugar in 2015, out of which 70,079 tonnes were made up of specialty sugars, 21,707 tonnes of plantation white sugar and 92 tonnes sugar equivalent in cane juice allocated to a cane grower. From the production of plantation white sugar, some 12,953 tonnes were produced on behalf of Alteo. It has to be noted that increased international competition from non-ACP countries led to loss of sales of specialty sugar, mainly in Europe.

2015 saw a record campaign in terms of sugar produced and of cane crushed as some 952,304 tonnes of sugar cane were processed through Terra's mills, out of which 63,800 tonnes came from the Alteo factory area and 5,100 from the Médine factory area.

However, the year's level of production was still below the mill's capacity and the supply of sugar cane from Alteo and Médine cannot be considered as certain to recur. Such inflow of sugar cane arises out of the mismatch between these respective groups' capacity and cane supply for any campaign, which is beyond Terra's control. At present, given the current allocation of sugar cane to factory areas, when processing sugar cane comes exclusively from Terra's factory area, the mill runs at sub-optimal capacity. This is a matter of concern for Terra and appropriate representations have been made in 2015.

Cane (cont'd)

The mill achieved very satisfactory productivity levels in 2015. It crushed an average of 6,706 tonnes of sugarcane per day, as compared to 5,994 tonnes per day in 2014. The extraction rate, however, dropped to 9.74 % from 10.15% in 2014 as the fibre content in sugar cane rose to 17.47%, as compared to 16.59% in 2014.

The quality of the sugarcane juice was very satisfactory with an 85.4% purity level as compared to 84.7% in 2014. This led to a global recovery rate of 86.41%, significantly higher than the levels achieved in previous years.

The table below shows various production parameters for this year as compared to the 2014 crop.

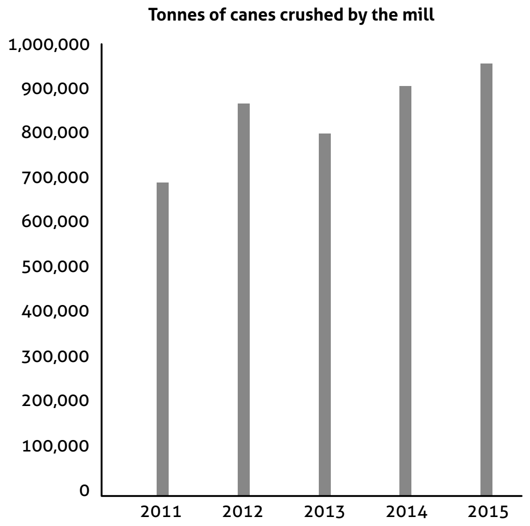
	2015	2014
Cane crushed (Tonnes)	952,304	905,056
Sugar produced (Tonnes) *Tel Quel*	91,878	90,972
Length of crop (days)	142	152
No of crushing hours per day	20.37	19.35
Mix juice purity	85.4	84.7
Sucrose % cane	11.21	11.88
Reduced overall recovery	86.41	85.36
Fibre % cane	17.47	16.59

Terra Milling committed a substantial capital investment geared towards the enhancement of its technical efficiency. Investments in equipment and processes to improve the mill's overall recovery and energy efficiency reached MUR 77.7 million. The energy efficiency project was managed jointly by Terra Milling and Terragen, with Terragen bringing a contribution of MUR 24.0 million to the project. Terragen benefitted from Terra Milling's technical expertise and had the opportunity to sell the additional electricity produced to the national grid. The project's successful implementation has increased the Group's level of expertise in its core activity. Together with its partners from the energy industry, Terra is looking to sell this expertise on other markets.

Tonnes of canes crushed by the mill

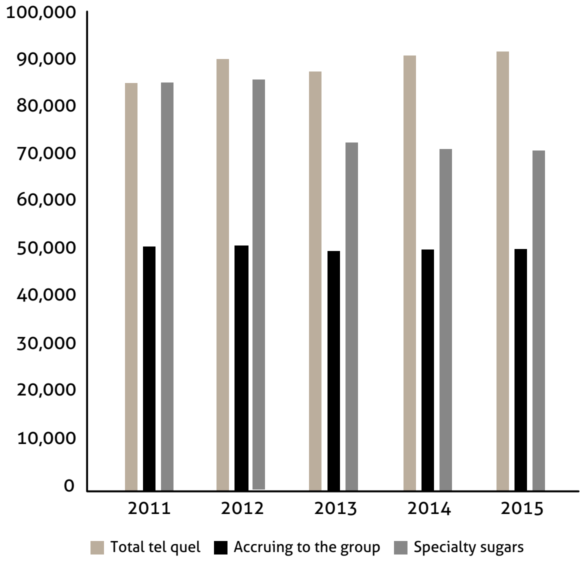
2011	682,472
2012	854,395 *
2013	800,993
2014	905,056 **
2015	952,304 ***

* : Includes for the first time the whole factory area of Mon Loisir
* : Includes 54,788 tonnes from Alteo Ltd.
** : Includes 63,800 tonnes from Alteo Ltd and 5,100 tonnes from Médine Ltd.



Sugar produced by the mill (Tonnes)

Year	Total Tel Quel	Accruing to the group	Specialty sugars
2011	85,366	50,540	85,032
2012	89,810	50,663	85,425
2013	86,650	49,179	72,818
2014	90,949	49,794	71,421
2015	91,878	49,976	70,079



Cane (cont'd)

Capital expenditure

Capital expenditure on sugar activity amounted to MUR 223.6 million as compared to MUR 244.1 million in 2014. MUR 83.5 million was spent on replantation costs, some MUR 53.4 million on the renewal of transport and agricultural equipment, MUR 53.7 million on upgrading the mill and MUR 6.8 million on furniture, office equipment and intangible assets. The cost of renovations to industrial and residential buildings amounted to MUR 26.2 million.

Change in management

Since the end of the reporting year, the General Manager (Agriculture) has submitted his resignation, which became effective on 31 March 2016. The process for the recruitment of a General Manager for the cane cluster has since been launched. Meanwhile, Sébastien Mamet, Strategic Development Executive, has been seconded to the cane cluster to manage its day-to-day operations.

Prospects for 2016

The 2016 Intercrop season has, so far, seen slightly above average cane growth records. Should the favourable climatic conditions prevail until the beginning of the crop season, Terragri is expected to harvest 415,000 tonnes of cane and Terra Milling is expected to mill 910,000 tonnes of cane from its factory area.

At this stage, it is difficult to provide an estimate for the sugar recovery rate, which is dependent on climatic conditions.
It is anticipated that the price of sugar should be marginally better than the 2015 price, which includes the one off compensation from SIFB.

Côte d'Ivoire operations G4-6 G4-8 G4-13

Terra holds a 25.5% stake in Sucrivoire, a company based in Côte d'Ivoire engaged in growing sugar cane and milling operations. It runs two sugar estates with factories in Borotou and Zuenoula, which together supply around half of the sugar consumed locally. It is managed jointly by Terra and its Ivorian partner, SIFCA.

Sucrivoire posted a net profit of 5.9 billion CFA Francs (Euro 9.0 million) for 2015, almost equal to its 2014 profit. Based on these results, the Board of Directors has since declared dividends of 4.0 billion CFA Francs (Euro 6.1 million) in March 2016.

Sucrivoire's contribution to Terra's profit amounted to MUR 108.2 million, excluding the reversal of impairment of MUR 166.1 million which is not recurrent. The Board is of the opinion that the necessary conditions are now met for the reversal of the remaining 50% of this impairment, these conditions being enhanced political stability, the company's consistently profitable track record over the last five years, its ability to service dividends in the medium to long term and the development of a strategic plan. The reversal in impairment losses for 2015 was of MUR 166.1 million as compared to MUR 166.3 million in 2014. To date, 100% of these impairment losses have been reversed.

Political environment

Terra's confidence in the potential for business in Côte d'Ivoire was reinforced by a number of changes pointing towards better governance and enhanced business conditions.

The peaceful democratic process leading to the re-election of President Ouattara in November 2015 suggests that the country's political reconciliation is underway and that social cohesion is being restored.

On the economic front, the impressive 8.4% growth in GDP for 2015 was the result of significant measures aimed at improving the business environment and enhancing productivity in all sectors. Aid and financing also flowed in from a number of countries and international institutions.

There were also significant improvements in the country's legal framework with the creation of an electronic land book, the enactment of a law for the protection of minority shareholders in limited companies and the reinforcement of corporate governance, the formalisation of mediation as an alternative means to regulate litigation, a continued improvement in business facilitation and the reinforcement of transparency in regulating commercial litigation by the online publishing of decisions made by the Trade Court. However, a 33% increase in the industrial rate of electricity negatively impacted on the company's competitiveness.

Cane (cont'd)

Operations

Sucrivoire operates in a protected market for the sale of sugar in Côte d'Ivoire, as the Government has declared a ban on all imports. With illegal imports successfully kept under control, sales on the domestic market were in line with expectations. Sucrivoire sold 93,946 tonnes of sugar in 2015, compared to 100,037 tonnes in 2014. Production on the Borotou and Zuenoula sites reached 95,304 tonnes for the 2014/2015 crop, against 92,240 tonnes for the previous season.

In spite of a price increase, the overall turnover decreased due to the drop in sales. As a result, Sucrivoire's turnover stood at 46.1 billion CFA francs (70.0 million euros) in 2015, down 1.4 billion CFA francs (2.1 million euros) from 2014.

On the investment side, the rehabilitation and modernisation programme for both factories, started in 2012, were completed in 2015. Nevertheless, further investment is required as the industrial set-up for energy production is in need of major rehabilitation.

In 2016, Sucrivoire will focus on the milling side with the aim of curbing milling losses.

Prospects

The initial forecast for a production of 97,000 tons of sugar in 2016 is not likely to be met due to an accidental fire which broke out in the Zuenoula factory, resulting in a one-month halt in production. However, the company reported above-budget sales in the first quarter and overall operational registers are satisfactory.

Terra welcomes the three cooperation agreements which were signed recently between Mauritius and Côte d'Ivoire, as well as the Double Taxation Agreement currently in negotiation, which should enhance the Group's economic activities and performance in this country.

Product responsibility

G4-DMA G4-PR1

Terra Milling constantly aims to enhance sugar quality not least to meet customer requirements but also to comply with applicable legal requirements. Specialty sugars are packed in 25 kg, 50 kg and one tonne bags before being sent for export. In obtaining BRC Global Standard Certification since 2007 and applying the HACCP Codex Alimentarius methodology, it ensures that its sugars meet food safety standards and are of good quality. It is also a registered B member of the SEDEX, which means it is subject to yearly audit by a third party to confirm that it is complying with local and international labour laws, health and safety and environmental regulations, and business ethics.

G4-DMA G4-PR3 G4-EN28

The Mauritius Sugar Syndicate (MSS) induces communication between Terra Milling and its customers. Second-party audits are also requested by customers to ensure that the sugar production process respects not only food safety but also social and environmental aspects. The packaging bags provided by the MSS are date-coded and clearly labelled to ensure traceability, and they are accompanied by a product release certificate containing the Factory Manager's signature of approval. The bags are collected and recycled by the MSS after use.

G4-DMA G4-PR7 G4-PR9

There was no incidence of non-compliance in 2015 with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, nor did the company have to pay any fine for non-compliance with laws and regulations concerning the provision and use of products and services.

G4-EN33

Terra Milling used questionnaires to assess its main suppliers' environmental performance. They are well aware of their environmental responsibilities, which are included in their management plans.

23:50

Power

Power

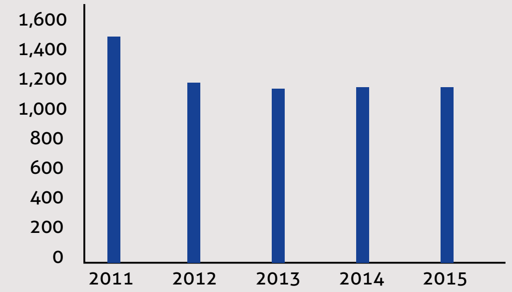
G4-DMA G4-8 G4-13

Terragen, Terra's energy-production segment, owns a 70 MW joint coal/*bagasse*-fired power plant, situated in Belle Vue adjacent to the sugar mill, which provides the latter with *bagasse* in exchange for the supply of its energy requirements. It has signed a long-term Power Purchase Agreement with the Central Electricity Board (CEB) under the terms of which it supplies electrical power to the grid throughout the year.

Performance

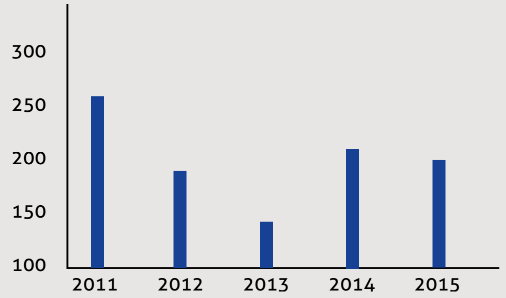
The Company recorded a profit after tax of MUR 198.0 million for 2015, compared to MUR 212.9 million in 2014. While the Company enjoyed record levels of production, the drop in profitability is attributable to reduced tariffs applicable for the year. Moreover, the depreciation of the rupee and higher maintenance costs negatively impacted the profitability of the energy segment.

Turnover (MUR' M)



	MUR'M
2011	1,463
2012	1,181
2013	1,116
2014	1,120
2015	1,118

Profit after tax (MUR' M)

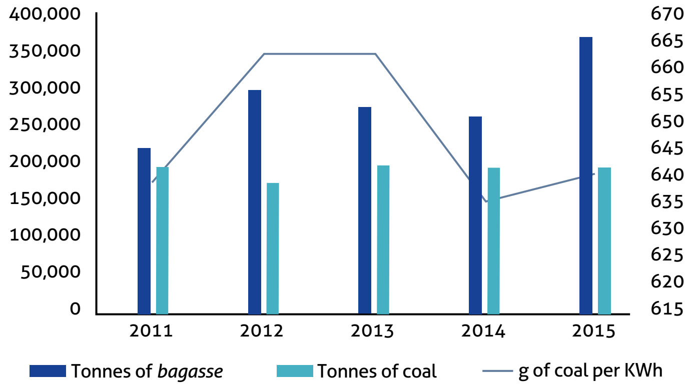


	MUR'M
2011	253
2012	185
2013	132
2014	213
2015	198

In 2015, the power plant achieved an excellent availability level of 99.6%, well above Terragen's contractual obligations with the CEB. CEB's electricity off-take and energy exported to the grid in 2015 increased by 6.2% to a record 425.6 GWh, as compared to 400.8 GWh in 2014. Some 79.5 GWh thus produced were charged at the excess fee, over and above the contractual off-take. This high productivity comes at a time when the CEB's production capacity is frequently challenged to its limits and independent power producers (IPP) are called on to support the electricity generation process for the island as a whole.

Around a third of Terragen's electricity production comes from burning *bagasse*, a fibrous by-product from the sugarcane production process. Owing to a better sugarcane crop in 2015 and a left-over of 24,620 tonnes of *bagasse* from the previous crop, *bagasse* supply for the year amounted to 356,795 tonnes as compared to only 269,298 tonnes in 2014. Accordingly, energy produced from *bagasse* increased by 27% over the last year to reach 131.4 GWh.

Consumption

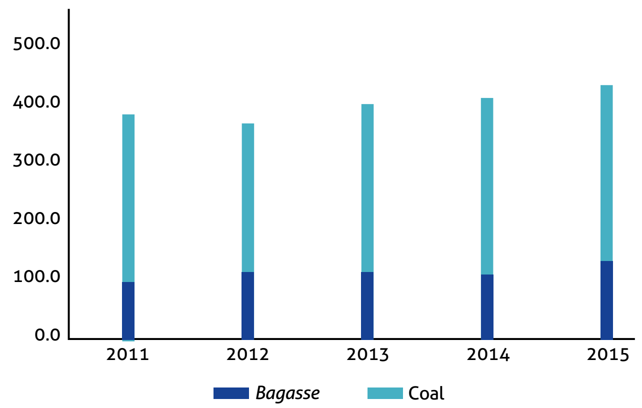


	Tonnes of *bagasse*	Tonnes of coal	g of coal per KWh
2011	215,826	179,591	638
2012	290,819	165,899	663
2013	274,028	189,759	663
2014	269,298	188,415	634
2015	356,795	188,744	641

During the year under review, the plant burnt 188,744 tonnes of coal, representing a specific coal consumption of 641 g per kWh (2014: 634 g per KWh).

Power (cont'd)

Energy produced (GWh)



	Bagasse	Coal	Total
2011	89.9	281.4	371.3
2012	106.6	250.1	356.7
2013	107.5	286.2	393.7
2014	103.4	297.4	400.8
2015	131.4	294.2	425.6

Terragen is conscious of the energy challenges facing Mauritius and of the wish expressed by a number of NGOs to substitute biomass for coal for electricity production. In that respect, a Sugarcane Trash to Energy project was implemented in 2015, during which 2,000 tonnes of cane trash were burnt as substitute for coal. This tonnage is expected to increase substantially in the coming year to 10,000 tonnes of cane trash.

With a view to optimising the availability of *bagasse*, Terragen contributed up to MUR 24.0 million to the acquisition by the sugar mill of two vacuum belt filters, which produced savings of 6,000 tonnes of *bagasse*, thus reducing further reliance on coal. One of the major works undertaken during the plant's annual shutdown was the reinforcing of the magnetic cores in the two generators.

Terragen is also engaged in a project with its partner, Albioma, and another local IPP for the setting up of a carbon burn-out (CBO) plant, which will convert coal fly ash into cement additive by exhausting residual carbon content to levels acceptable to cement manufacturers. A new company, Thermal Valorisation Co Ltd, in which Terragen holds a 35% stake, was incorporated for that purpose but is not yet operational. In that respect, the company disbursed MUR 102.0 million in 2015 as deposits on its investment in the new company.

Terragen recognises that the effective management of quality, environmental and health and safety issues is fundamental to its operations. Once again, the company validated its triple certification from AFNOR: ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environmental Management System) and ILO OSH 2001 (Occupational Safety and Health Management System). Meanwhile, to enhance safety standards, the company has been investing in the automatic blanketing of its electrical rooms with inert gases in case of fire; works are scheduled to be completed in June 2016.

Structure and operations

Through Terragri, its wholly-owned subsidiary, the Group had a 51% effective interest in Terragen at year end. Other shareholders include a strategic partner, Albioma (27%), the Sugar Investment Trust (14%) and the State Investment Corporation (8%). Terragen's day-to-day operations are entrusted to Terragen Management Ltd, which employs some 48 staff. Terragen's overall management is jointly assumed by Albioma and Terra.

Terragen Management Ltd is controlled by Terragri, which holds a 61.75% interest, the other main shareholder being Albioma with a 28.25% holding.

With regard to the handling and stocking of coal, a separate entity, Coal Terminal (Management) Co Ltd, in which Terragen holds a 30.26% interest, runs these operations from the company's depot, situated in the port area. Coal is jointly imported by Terragen and other energy producers and stocked at the depot, from where it is dispatched to users.

16:15

Brands

Brands

Structure G4-13 G4-DMA

Terra Brands Ltd, a wholly-owned subsidiary of Terra Mauricia Ltd, controls the main commercial and alcohol production activities of the group and holds a 74% stake in Grays Inc. Ltd, its operating arm, to which it leases office and industrial space.

In addition, it owns a two third stake in Grays Distilling Ltd, as well as a 33.3% share in New Goodwill & Co Ltd and related companies, which are involved in the production, bottling and distribution of spirits.

Through Grays Distilling Ltd, it invested into Topterra Ltd, a 50:50 joint venture with Island Liquid Fertilizer Ltd, which produces a liquid fertilizer known as Concentrated Molasses Stillage (CMS) from *vinasse,* itself a residue from distillation. Moreover, Terra Brands Ltd, through its wholly-owned subsidiary, *Les Chais de l'Isle de France Ltée,* specialises in the ageing of rum for export and owns the brand New Grove. Besides, it owns a 50% stake in *Les Domaines de Mauricia Limitée.*

Commercial G4-8

Performance

Sales in Grays' business units posted double digit growth in 2015, mainly attributable to the success of the company's brand-diversification strategy, supported by targeted marketing, as well as export and regional operations. While the brand portfolio's profitability levels were satisfactory, its overall performance was eroded by the weaker profitability of the cane spirits unit.

Wine and spirits

There was a 15% increase in wine sales, thanks to the well-chosen product mix, backed up by persuasive sales and promotion strategies. On the entry level wines-segment of the market, growth was led by Samsara (+23% in sales), which had been supported by the revamped and contemporary look given to its packaging.

Grays also reported strong sales growth across the full range of its whiskies (+24%), with the performance of the Cambridge brand. Since its launch in 2014, it has outperformed expectations and established its footprint on the market. Its market share is expected to rise to the level of other best-selling brands in its category.

Cane spirits

The redesign of the packaging of Seven Seas in late 2015 reinforced the brand's appeal to consumers. This redesign was the outcome of a three-year research and development programme to move the brand's positioning to the higher end of its category. Initial market feedback is encouraging and it is anticipated that growth will be sustained in 2016.

Sales of the De Luxe brand, launched in the 1980s, were stable in 2015. Launched in 2013, sales of the cordial King Cane brand, a flavoured cane spirit, showed steady growth throughout 2015. Flavoured cane spirits have captured a narrow segment of the market, catering to specific tastes and the demand for such products is expected to remain soft. Nonetheless, such brands contribute to backing up our larger offering.

The cane spirit unit continues to be a challenging line of business. Its profitability remains modest, due to strong competitive pressures and continued regulatory headwinds. The adoption of more stringent regulations for the production of alcoholic products resulted in operational constraints that eroded sales levels and profit margins. Over the last three years, this situation was closely monitored in order to curtail downward trends. No immediate improvement in the regulatory environment conditions are expected throughout 2016.

Snacks and Personal Care

In 2015, the focus was on extending and consolidating Grays' portfolios in food and cosmetics with high-potential consumer brands. The extension of its product range to better meet market expectations and sustained marketing efforts to promote brands such as Lay's and Doritos resulted in a 50% increase in the unit's sales. This diversification also strengthened Grays' relationships with retailers across the island and consolidated its standing as a reliable and trustworthy supplier.

Meanwhile, on the perfumes and cosmetics side of the business, the company gained from targeted marketing activity, aimed at increasing its market share in the premium personal-care segment. Sales of L'Occitane products performed particularly well, driven by the opening of a new outlet in the Bagatelle Shopping Mall and a sustained increase in same-store sales for Grays' other outlets, with the result that Personal care business unit sales grew by 36% in 2015.

New Grove Rum wins international award

Grays took great pride in the master medal won by its New Grove Single Barrel 151 Vintage 2004 Rum at the annual competition organised by Spirits Business Magazine in the United Kingdom in 2015. This was the highest and only master medal awarded in this category by a jury made up of leading bartenders and spirit industry professionals in Europe. Moreover, New Grove was also awarded the Grand Rum Master qualification for 2016 and will thus be presented at the official Spirits Business Global Masters awards to be held in December 2016 at the prestigious Kensington Roof Gardens in London. This international recognition will raise the brand's global profile and provide a boost to Grays' export promotion strategy.

Brands (cont'd)

Export markets

Significant efforts were directed towards expansion into export markets, whose high growth potential offsets the size-limited opportunities in Mauritius. Grays also leveraged both Mauritius' expertise as a trade hub to open up avenues for the development of sales in the Indian Ocean region and East Africa, as well as the established trade links between Mauritius and Europe.

In the Indian Ocean region, the East Indies Company, Grays' subsidiary in Madagascar, saw a 5% increase in sales. However, bad debts impacted negatively on profitability there. In the Seychelles, Providence Warehouse, an associate company in which Grays has a 25% holding, delivered satisfactory results. Based on a strong organisational structure and an efficient focus on its core business, sales increased by 31% and profit by 55%.

The export of bulk alcohol and rum outperformed expectations, which led to a situation of undersupply in 2015. The order book for 2016 is full and the Company intends to grow this line of business further.

Uganda

Having built business ties with Uganda through its related company, Terravest, Grays explored development opportunities in this country, where it foresees a rise in purchasing power. It was decided that the best strategy to tap into this market was to set up a local production unit. In late 2015, therefore, Grays set up a subsidiary in Uganda in partnership with Terravest for the production of gin, under the Royal Navy brand, to be sold on the local market. Since sales commenced in January 2016, there has been encouraging feedback from this subsidiary. Whilst Grays believes that this market has considerable development potential, it is nonetheless fully aware of the challenges associated with developing a business in relatively unfamiliar territory.

Europe and the USA

Considering the perceived potential for the export of high profile brands and premium products to Europe and the United States, Grays used the premium spirits sector to spearhead development in these markets. The award won by New Grove Rum at the Spirits Business Magazine competition raised the brand's profile but volumes remained low, as only aged rums were involved. Grays will work towards growth by extending its lines of rums and liqueurs on these markets.

In 2015, Grays also proudly recorded its first exports to the United States. This came after a learning period during which the firm set out to acquire a greater understanding of the stringent and unfamiliar trade regulations applicable to the United States. It is Grays' expectation that the benefits of these efforts will be reflected in increased sales figures there in 2016.

Production of alcohol and liquid fertilizer

Yields for the 2015 distillation campaign stood at 203 litres of alcohol per tonne of molasses which, whilst an improvement over 2014, is still below the projected 235-240 litres as achieved in 2012 and 2013. This disappointing performance was due to recurrent boiler problems in the first half of the year and to the poor quality of the water supply for four weeks in a row. A water treatment station is being installed to address future water-quality issues.

Topterra's evaporation plant experienced some difficulties in concentrating properly the CMS used as fertiliser, so that the distillery had to reduce its production capacity and *vinasse* production to avoid the disposal costs of surplus *vinasse*. In spite of the above, the number of production days for 2015 amounted to 192 compared to 159 in 2014 and, in total during the year, 4.9 million litres of alcohol were produced as well as 51.7 tonnes of *vinasse*.

G4-DMA G4-EC9 G4-EN28

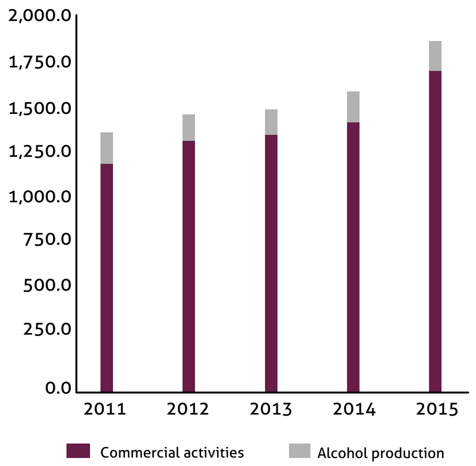
Topterra's proportion of spending on local suppliers at its significant operational locations was 60% in 2015.
It delivers its product (CMS) to its sole customer, Island Renewable Fertiliser Ltd, in bulk through a pipe, since they are both located on the same premises. This is advantageous compared to other entities as there is no use of any kind of packaging. CMS, which is in liquid form, is spread in sugarcane fields by Island Renewable Fertiliser Ltd, again avoiding the use of packaging.

Results

The Brands segment turnover increased by 16.6% to MUR 1,857.1 million for the year, while profit after tax increased by MUR 39.8 million to reach MUR 129.4 million. (2014 MUR 89.6 million). This increase in profitability is driven mainly by the growth in turnover coupled with a better product mix and improved margins.

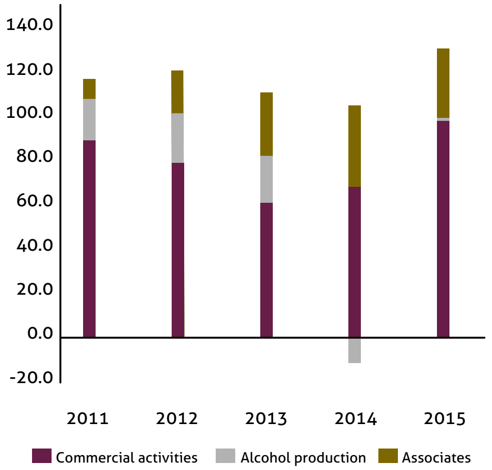
Brands (cont'd)

Turnover (MUR 'M)



	Commercial activities	Alcohol production	Total
2011	1,217.0	132.0	1,349.0
2012	1,257.5	165.1	1,422.6
2013	1,340.0	152.5	1,492.5
2014	1,432.3	160.7	1,593.0
2015	1,700.6	156.5	1,857.1

Profit after tax (MUR 'M)



	Commercial activities	Alcohol production	Associates	Total
2011	86.9	16.7	9.5	113.1
2012	76.7	21.7	20.1	118.5
2013	59.7	19.6	29.6	108.9
2014	67.6	(11.6)	33.6	89.6
2015	95.2	1.8	32.4	129.4

Product responsibility

G4-DMA **G4-PR1**

Grays Inc. and Grays Distilling are subject to specific laws and regulations related to their operations, including the import, storage, sale and export of items. Some aspects of their activities are regulated by the Public Health Act 2009 and the Food Act 1999, which concern the safety and health aspects of products. Grays is currently implementing an integrated management system based on ISO 9001, ISO 14001 and OHSAS 18001 standards and HACCP Codex Alimentarius methodology to help enhance performance in the production process, sales, employees' health and safety, and environmental management.

G4-DMA **G4-PR3**

Grays strives to meet customer satisfaction, considering it of utmost importance. In addition to current methods of receiving customer feedback to enhance performance, in 2016 a new customer relationship management system is being put in place. This tool will enable the call-centre department to provide better service to customers and follow up requests and complaints more effectively.

The sale and labelling of alcoholic products are controlled by the Excise Act 1994 and the Customs Act 1988. Most of the labels carry the tagline 'prohibition of alcohol to pregnant women', while the labels of food items contain information on ingredients and nutritional value. Food products that are exported to Europe must comply with food allergen and information requirements under the EU Food Information for Consumers Regulation No. 1169/2011, which means that labels must provide such information.

G4-DMA **G4-PR7** **G4-PR8** **G4-PR9**

Grays always ensure compliance with Public Health Regulations 2008 (Prohibition on Advertisement, Sponsorship and Restriction on Sale and Consumption in Public Places, of Alcohol Drinks). In 2015, there were no incidents with regards to non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship and provision and use of products and services, nor were any fines levied. Similarly, there was no complaint regarding breaches of customer privacy or loss of data.


20Vin, Ruisseau Créole, Black River

12:00

Property Management & Construction

Property management & construction

Property development G4-8 G4-13

Sagiterra, Terra's land development services company, was confronted with a difficult operational environment in 2015. Delays in the issue of permits at several stages hindered the completion of many of its projects. This led to subsequent delays in invoicing clients, which, in turn, translated into reduced turnover, down to MUR 21.5 million from MUR 26.6 million in 2014.

Meanwhile, Management strove to contain costs but this has had a minimal impact on profit, since a large portion of Sagiterra's running costs is made up of fixed expenses. In addition, a MUR 1.8 million provision for bad debt in relation to a completed project had an impact on profitability. As a result, Sagiterra recorded a loss of MUR 0.5 million for 2015 as compared to a profit of MUR 4.2 million in 2014.

In 2015, much of Management's attention was devoted to supporting government initiatives aimed at addressing delays in permit processes. This was highlighted by the World Bank as an impediment to national growth. Sagiterra welcomed the government's proactivity on this issue and the opportunity to be actively involved in supporting government in this respect. The company was invited to sit on a number of boards and committees together with government officials and other real-estate operators. It was also involved in private-sector organisations supporting real-estate development in Mauritius, namely Real Estate Mauritius, of which Sagiterra's General Manager is Vice-President, and Business Mauritius.

The outlook for 2016 is therefore encouraging and should see an acceleration in the invoicing process and in earlier profit recognition for on-going projects. Moreover, the extension of the Beau Plan Business Park into a fully-fledged Smart City should provide for a sharp increase in activity. Sagiterra is also a member of the team for the construction of the African Leadership University campus, an innovative project that will attract further business activity to the North.

2016 will be a year of transition for Sagiterra. As land takes a pivotal role in the Group's development strategy, Sagiterra will become part of a larger real-estate development cluster within the Group that will add value to Terra's land assets. Terra's Management is presently working on building a strong team within an appropriate structure to support these developments.

Proceeds on land disposals of MUR 116.9 million (2014: MUR 52.6 million) were received by the group in the course of the year and a profit of MUR 59.3 million was recognised thereon (2014: MUR 17.4 million).

G4-DMA G4-PR8 G4-PR9

Sagiterra respects the privacy of its customers by complying with the Data Protection Act 2004. It did not receive any complaint in 2015 regarding breaches of customer privacy or losses of customer data, nor was there any fine for non-compliance with laws and regulations concerning the provision and use of products and services.

Construction G4-8 G4-13

The Group's interests in the construction industry are vested in Terrarock, in which the Group owns a 54% stake, and in Rehm Grinaker Construction Company (RGC), in which it holds 35.5%.

Terrarock, incorporated in 1990 to add value to Terra's field derocking operations, is engaged in the manufacturing and sale of building materials, mainly hollow concrete blocks, aggregate and rocksand. Operational management has been entrusted to United Basalt Products.

Terrarock's turnover for 2015 increased by 12.2% to MUR 147.0 million. This increase is attributable to a modest recovery in the construction industry. With the better containment of overhead costs, this led to an improvement in gross profit and to a profit after tax of MUR 16.4 million, up by MUR 2.1 million from 2014.

G4-DMA G4-PR7 G4-PR8 G4-PR9

Terrarock complied fully with applicable laws and regulations concerning marketing communications, including advertising, promotion and sponsorship and the provision and use of products and services. No related incident was registered nor fine incurred in 2015. It also ensures the privacy of its customers by complying with the Data Protection Act 2004 so that there was no breach of customer privacy or loss of data.

Construction (cont'd)

RGC is one of the leading multi-disciplinary construction companies in Mauritius. It operates under a management contract with Grinaker-LTA South Africa. The Group's share of loss for 2015 amounted to MUR 8.1 million as opposed to a profit of MUR 4.2 million in 2014, attributable mainly to underperformance on one specific project for the period ending 31 December 2015.

Market conditions in the industry remain very tough and highly competitive, with margins remaining thin. Based on ongoing projects, a turnaround is expected in 2016.

Terra also owns a 35.5% stake in Rehm Grinaker Properties Company, which owns land and buildings at Arsenal, as well as land at Montebello. The site and the majority of the office block at Arsenal are leased to RGC and the remaining office space is let to third parties. The Company posted a profit of MUR 6.5 million as at 30 June 2015, and the Group's share of that profit as at 31 December 2015 amounted to MUR 2.3 million.

18:00

Leisure, Finance & Investments

Leisure, finance and investments

LEISURE G4-8 G4-13

Sugarworld

Terra's subsidiary, Sugarworld, runs a museum showcasing the history of sugar operations in Mauritius. It posted a turnover of MUR 70.0 million, up 14% from 2014, which originated from the sale of tickets to the museum, the restaurant and the shop. The museum posted a net profit of MUR 3.0 million as compared to MUR 2.6 million in 2014. The improved financial performance of the museum is directly attributable to the increase in the number of visitors, which rose from 76,000 in 2014 to 80,300 in 2015. While a large proportion of visitors hail from Mauritius' traditional western European markets, there was also a rise in the number of visitors from emerging markets, mainly from China and India.

The museum takes pride in being an essential stop in a tourist's visit to Mauritius. It won the TripAdvisor Travellers' Choice Award in the category of best museum in Africa for the third year in a row, an award that reflects the regular maintenance of the museum's infrastructure and the continual revamping of its displays. A third of the museum is renovated every year.

The museum's boutique remained popular. Over the years, it has striven to create an exciting shopping experience, with a diverse and creative range of genuine Mauritian products and local handicraft. The restaurant was again very successful. Tourists and Mauritians alike continue to appreciate the quality and authenticity of the lunch and dining experience at *Le Fangourin*. This was recognised by the award of TripAdvisor's Certificate of Excellence for a fourth year. The restaurant is also a popular venue for corporate events and private gatherings.

Product responsibility

G4-DMA G4-PR1

Providing a safe environment is one of the company's top priorities. Measures taken to this effect include the preventive maintenance of the site, food-handler certificate issued by the Ministry of Health and Quality of Life for employees handling any food item, the careful selection of suppliers, monthly pest controls and close monitoring of food items on the principle of first in - first out in the kitchen store, a designated smoking zone in outdoor areas of the restaurant and clear emergency measures related to fire safety. Tour operators also participate in ensuring the safety of visitors through bi-annual site visits to the museum, kitchen and restaurant.

G4-DMA G4-PR3

A Guest Comment Book and TripAdvisor comments are used to monitor the level of customer satisfaction. All guest feedback is taken seriously and appropriate measures are taken as necessary. In fact, Sugarworld received the Certificate of Excellence Award from TripAdvisor in 2015. Information boards display information concerning tariffs and visit tips summarising essential information on each theme, as well as special booklets for kids. The restaurant menu card is clear with the main ingredients listed. Customers are encouraged to ask questions to restaurant staff regarding the menu. Meanwhile, items in the Sugarworld boutique have labels providing basic information about them, for example the origin of sugar, regulated labels on alcoholic drinks; some of the packaging also contains a recycle logo to encourage customers to recycle paper after using the product.

G4-DMA G4-EC9 G4-EN33 G4-EN27

The company seeks to source products locally so as to encourage job creation along the supply chain. It also uses environmentally-friendly products such as Forest Stewardship Council-certified paper for the production of the museum booklet, packaging, labels, posters and flyers, which are also recyclable at the end of their life. Bio-products are used for cleaning purposes in the kitchen and recycled paper for producing packaging used in the boutique. The proportion of spending on local suppliers at significant operational locations was 65% in 2015. Sugarworld also evaluated its main suppliers on their environmental aspects through questionnaires in 2015 and follow-up measures are currently being considered in relation to this assessment.

G4-EN27

During 2015, Sugarworld also carried out an assessment of the environmental impact of its products and services related to material use, water, effluents, noise and waste. Existing measures include the separation of oil from kitchen wastewater, which is collected by an authorised carrier, the recycling of all used plastic water bottles (150 kg), reduced consumption of office paper, the recycling of 250 kg of waste paper and cardboard, and the recycling of used wine and rum glass bottles to produce ash trays and candle holders. As from 2016, organic kitchen waste will be transformed into compost for use in garden areas.

G4-DMA G4-PR7 G4-PR8 G4-PR9

Care is taken to comply with regulations and voluntary codes concerning marketing communications including advertising, promotion and sponsorship by ensuring the proper use of copyrighted materials in any advertisement. The company is also governed by the Data Protection Act 2004 that ensures compliance with the protection of personal data. There was no incident of non-compliance with regards to the above in 2015, as well as no substantiated complaint related to breaches of customer privacy and losses of customer data. However, two breeches that had been recorded in 2012 under the Tourism Act 2004 and Public Health (Restrictions on Tobacco Products) Regulations 2008 were settled in 2015.

Leisure, finance and investments (cont'd)

FINANCE G4-8 G4-13

AceTer Global

AceTer Global is Terras's global business management company, providing legal, tax, accounting and compliance services to an offshore clientele. AceTer ended the year with a turnover of MUR 7.4 million and a loss of MUR 0.2 million. Management is confident the company will continue its growth in 2016, forecasting a turnover of MUR 12.0 million.

Since its inception in 2013, AceTer has seen steady growth in its client portfolio, from around 50 clients at the end of 2014, to 100 clients in 2015. The company targets high-net-worth individuals, trading companies, companies listed on the stock exchange and asset managers and funds.

In order to support its growing client base, AceTer's team grew from four people in 2014 to a staff of eight experienced professionals in 2015.

G4-DMA G4-PR8

AceTer Global (AceTer) sets itself the highest ethical standards in providing client services, priorities including confidentiality, discretion and asset protection. The onus is therefore on AceTer to disclose all information to its clients in order to protect their interests and to minimise the inherent risks (legal or regulatory, compliance, financial and reputational) to which they may be exposed, as well as protecting its own interests. AceTer measures and maintains customer satisfaction through meetings with clients and the exchange of e-mails, in which they can express their concerns or provide positive feedback.

Full disclosure in relation to products and services is a mandatory requirement under the Financial Services Act (FSA), Financial Intelligence and Anti-Money Laundering Act (FIAMLA) and FSC Codes and Circulars. AceTer therefore provides information to its clients related to:

- The nature of the activities they are allowed to engage in under their licence
- The nature of the products and services
- The various options open to clients in order to use Mauritius as a financial hub.

The Anti-Money Laundering/Combating the Financing of Terrorism Codes (AML/CFT) build on the provisions of the Financial Intelligence and Anti-Money Laundering Act 2002 (FIAMLA) and set out the preventive measures that financial institutions and trust and corporate service providers like AceTer must put in place to counteract money laundering and terrorist financing.

Under Section 17 of the FIAMLA, AceTer has to verify the true identity of all clients and others with whom it conducts transactions. Besides, it must establish and verify the identity, current address and nature of the client's business, his financial status and the capacity in which he is entering into a business relationship with AceTer.

AceTer complies with all due-diligence requirements as per local and international norms prior to the signing-up of a client. It carries out ongoing audit checks on the adequacy of AML/CFT policies and continuously develops internal controls based on its findings.

G4-PR9

AceTer complies with the Financial Services (Consolidated Licensing and Fees) Amendment Rules 2016 and Section 77 of the Financial Services Act 2007 regulated by the Financial Services Commission. It therefore did not pay any fine with regards to any form of non-compliance. AceTer was up to date with the Financial Services Commission's Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Framework and also participated in the Risk-Based Supervision Framework, which caters for both compliance-driven and risk-based supervision.

Terra Finance G4-8 G4-13

Terra Finance operates under a Treasury Management Licence from the FSC. It is run as a profit centre providing treasury management solutions and assistance to fellow subsidiaries and associated companies, with a view to optimising the use of their financial assets. It also trades in foreign exchange and derivatives with banking counterparties on behalf of Group companies. It presently manages funds averaging MUR 1.3 billion.

Terra Finance's potential for growth lies not only with Group companies but also in corporate treasury management solutions and consultancy services to third parties.

FINANCE (CONT'D)

The Swan Group G4-8 G4-13

Terra's effective holding in Swan General stands at 34.03%. The contribution of Swan to the Group's after-tax profit amounted to MUR 88.7 million (2014: MUR 82.4 million).

Swan's long-term operations' surplus for the year increased by 8%, driven mainly by the good performance of both gross and net premium income. Despite a volatile year, the investment fund closed higher in 2015. The local stock market witnessed downside volatility in 2015 and weighted on Swan's local equity portfolio, which nonetheless outperformed its benchmark. International equity markets performed better and contributed favourably to foreign investment income. The fixed income portfolio also continued to deliver attractive yields despite the persisting excess liquidity in the market. Swan's life assurance activities remain competitive, in spite of the tough economic environment and the reduction of disposable income, as well as the attraction of more tangible assets. The life assurance fund rose by 4% to reach MUR 32.1 billion.

Gross premiums earned by the Swan group increased by MUR 522.0 million to reach MUR 5.7 billion. The group's profit for the year attributable to the owners of the parent company increased by MUR 18.4 million to MUR 260.4 million, in spite of the soft market conditions that prevailed in 2015. The health and motor sectors were impacted by higher retention and the increased cost of repairs respectively. Nonetheless, Swan's prudent underwriting approach and efficient claims management strategy supported sustainable growth and profitability. As a result, its underwriting surplus reached MUR 494.0 million in 2015, an increase of MUR 8.1 million. The enhanced results are due to improvements in investment and other income, as well as from a better share of profits from associates.

Banyan Tree Bank G4-8 G4-13

During the year ending 31 December 2015, BanyanTree Bank (the Bank), in which Terra holds a 10% stake, registered a profit after tax of MUR 127.9 million. Total assets grew to MUR 6.6 billion and net interest income was MUR 140.5 million. The Bank's capital adequacy ratio at 31 December 2015 stood at 10.62%.

Despite the challenging environment, the Bank raised deposits worth MUR 2.1 billion. The Bank's loans and advances book increased to MUR 416 million from MUR 44.0 million, a growth of 845% over 2014. Following a research and due diligence exercise, the bank took measures to mitigate credit risks.

In the 2015 financial year, the Bank disbursed approximately USD 11 million in loans and advances which represents a more than nine-fold increase in its loan book over the previous year, albeit from a small starting base.

INVESTMENTS

United Investments (UIL) G4-8 G4-13

The Group holds a 29.03% stake in UIL, a holding company with investments in financial services and hospitality through AXYS and Attitude Resorts, as well as in other commercial activities in various fields such as Island Fertilizer and Mecom, subsidiaries engaged in agriculture-related fields, Pelagic in the seafood industry, Megabyte a data processing company, Les Gaz Industriels or Emineo, an engineer consultants venture, to name a few.

On the financial services front, the purchase of the fiduciary operations of the Credit Agricole Group in Geneva, coupled with its existing operations, makes the UIL Group one of the largest players in this town. The acquisition of APEX, a Nairobi stockbroking firm, was also completed, giving UIL a footprint in East Africa's largest market. Asset management and advisory services will be added to the product offering in 2016 and enhanced logistics will broaden the financial services network. UIL's South African companies performed according to plan, with continued growth. Last but not least, UIL is currently in the final stages of opening a private bank and, although the project has taken a few months longer than planned, this move is crucial to its development.

Attitude Resorts opened its latest resort, Ravenala Attitude, in October. After initial difficulties resulting in sluggish sales for the first few months, sales have picked up since January 2016 and the feedback from the market is very good. Occupancy rates for the group as a whole were very encouraging throughout the year. The price wars that prevailed in previous years also softened down and the 2016-17 performance is expected to be very good.

On the commercial front, Pelagic continued to face numerous challenges and underwent a management restructuring exercise which should allow the company to reach breakeven in the near future. Mecom and Megabyte performed in line with expectations, while Les Gaz industriels and Emineo are enjoying a better year.

INVESTMENTS (CONT'D)

Terravest G4-6 G4-8 G4-13

In October 2014, Terra had invested in Terravest, a company engaged in the roto-moulder industry with operations spanning seven East African countries. This provided Terra with a foothold in Africa from which to gain a better understanding of the business environment and development opportunities there.

Overall the company's performance was mixed in 2015. Sales stood at USD 15.7 million, lower than the USD 16.7 million in the previous year. It recorded a loss of USD 100,000 after incurring exchange losses of USD 400,000 and losses of USD 260,000 related to starting new companies.

Operations in Rwanda and Kenya were in line with targets but their profitability was eroded by large foreign exchange losses. In Burundi and South Sudan, heavy conflict reduced business opportunities and in Uganda overall market conditions were challenged by a fluctuating currency and a slowdown in investment due to the elections scheduled in February 2016.

The funds from Terra's contribution to capital supported the development of new projects. Thus, a 20,000-square-foot factory was built in phase 2 of the Kigali Industrial Park, where a new HDPE pipeline machine to make pipes up to 500 mm was installed and is now running. Terravest also invested in an extrusion line to make PVC gutters in Kampala and in additional injection moulds. A production plant was set up in Lusaka, Zambia, to manufacture water tanks and other rotational-moulded products, as well as a new trading office in Bukavu, Democratic Republic of Congo.

Harel Mallac (HMC) G4-8 G4-13

HMC is a publicly-quoted conglomerate engaged, either directly or through its subsidiaries and associates, in chemicals, technology, engineering, distribution, services and property.

Terra received a dividend of MUR 5.0 million from HMC in 2015, against MUR 7.0 million in 2014.

Terra holds directly and through holding entities over 26% of HMC's capital. However, it has no representative on HMC's Board, in spite of several requests to that effect that have been repeatedly turned down. Consequently, it does not exercise significant influence on the company and does not equity account for HMC's results. This situation is a matter of concern to Terra, especially in the light of continual operational losses on which the Company has no insight.

HMC recorded a loss after tax of MUR 58.8 million for the year to December 2015, compared to a profit of MUR 73.4 million in 2014. Changes in asset values and disposal of assets had significant impact on HMC's reported profit. An impairment of assets of MUR 39.0 million was recorded in 2015, whereas a profit on the disposal of an investment of MUR 150.9 million had positively impacted profit in 2014.

Alcohol & Molasses Export (AMCO) G4-8 G4-13

The Group owns a 41.9% interest in AMCO, a company trading in molasses. The company's turnover stood at MUR 356.0 million in 2015. AMCO's gross profit margins improved due to changes in export patterns. As a result, the Group's share of profit after tax increased to MUR 30.9 million (MUR 18.8 million in 2014). The 2016 results are anticipated to be marginally lower due to the adverse effect of the global economic situations on sales on the international market.

Orange Madagascar (OMA) G4-6 G4-8 G4-13

The Group's effective interest in OMA is 5%.

Net profit for the year ended 31 December 2015 fell substantially to Euro 3.6 million, compared to Euro 6.3 million in the previous year, the result of higher depreciation and finance costs on the back of higher borrowings to finance OMA's geographical expansion, as the company strove to consolidate its market share in an increasingly competitive telecommunication sector.

Payment Express G4-8 G4-13

Payment Express (PEX) is engaged in the processing of settlements from credit card and debit card transactions. Terra holds a 27% participation in this company, in which PEX employees with management and technical expertise hold a large portion of the shareholding. The company is in a start-up phase but has considerable potential for development in Africa markets. It recorded a turnover of MUR 134.4 million in 2015.

Inside Capital Partners G4-6 G4-8 G4-13

Inside Capital Partners is the management company of a private equity fund of USD 75 million, specialised in investing in Mauritius, Zambia and other East African countries. Terra has acquired a stake of 25% in the company and has committed USD 10 million to the fund for its share, out of which USD 775,000 have already been called.

10:40

Terra Foundation

Terra Foundation

SUPPORTING LOCAL COMMUNITIES

G4-DMA G4-SO1 G4-26

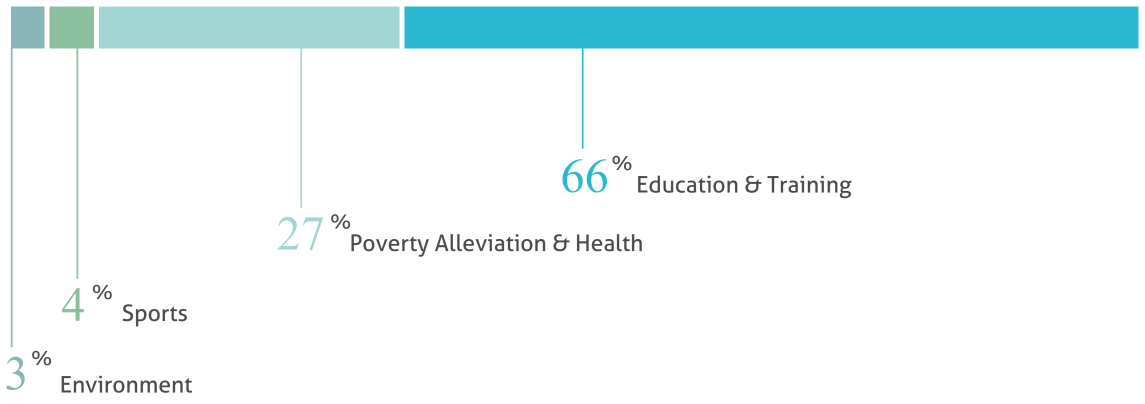
Although the foundation began operating in 2010, the Group has always supported the development of the local communities around its factory area for nearly eighteen decades. Nowadays, through the Foundation, it continues to support communities in the vicinity of places where it has operations.

> ### Celebrating successful partnerships
>
> To mark its fifth anniversary, the Foundation invited the leading NGOs it sponsors to make brief presentations of their achievements over the past five years.
> This was also the occasion for the Foundation to summarise its own achievements during that period:
>
> - MUR 41.5 million donated to support 95 long-term or one-off projects, including MUR 4.1 million for Rodrigues
> - The Foundation's support has reached 7,500 children and young people, as well as 500 adults.
>
> This event was an opportunity for beneficiaries to showcase their various talents, presenting songs, dances, poems/slams and music. They also testified to the audience and Board members how the NGOs' services and projects had helped transform their lives, paying tribute to the dedication of the NGOs and their teams. In turn, the NGO representatives expressed their own appreciation of the Foundation's continued support.

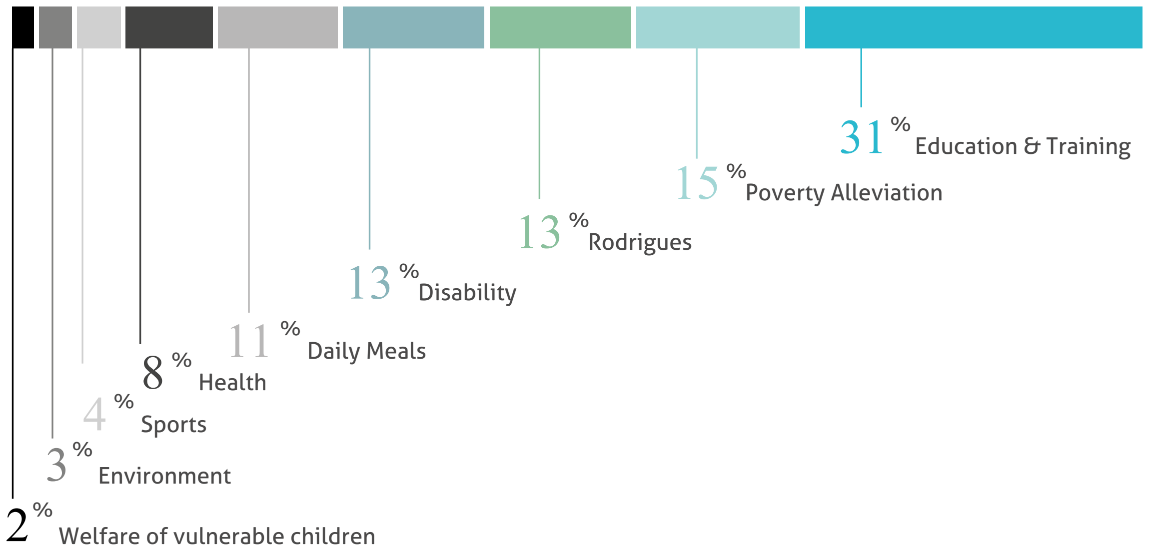
In 2015, the foundation sponsored 50 projects through support to non-governmental organisations (NGOs) as well as via corporate programmes, 29 of which were located in the North and three in Port-Louis in areas where group companies operate. The 18 other projects had a more national dimension.
These programmes targeted people from disadvantaged backgrounds, including some 4,637 children and teenagers and 262 adults.

BUDGET

Including contributions from non-Group entities, the Foundation's total income for the year was MUR 8.2 million. The funds, net of administrative expenses, were allocated to NGOs and projects with the following purposes:



Further divided by sub-categories, the percentages were as follows:



OTHER ACTIVITIES

- In June, the foundation hosted the third national CSR Meet-Up, during which representatives of all the CSR departments of private sector companies and foundations shared information and expertise.
- The foundation and some NGOs sponsored by the foundation participated in a private-radio programme on CSR.

CORPORATE PROGRAMME

Actions with local community and development programs

The foundation continued to:
- Organise birthday parties for children supported by the NGO ARISE.
- Welcome pupils from eight Rodriguan schools on educational trips to Mauritius at Belle Vue and *L'Aventure du Sucre*.

Support was also given to several other projects and development programmes targeted on local communities:

- ***Anou al peinn* Community Day** in Pamplemousses
  A community day was organised on 9 October on the occasion of the 25th anniversary of *La Maison Verte*, a kindergarten focused on the needs of at-risk children. Terra employees, together with other participants, children and teachers, painted the indoor walls of the school, giving a wonderfully fresh feel to the building.

- **The H. Ramnarain Government School** in Terre Rouge (ZEP school)
  The Foundation continued its commitment to the H. Ramnarain Government School, which has some 746 pupils and has Education Priority Zone status (ZEP). It is a project that Terra has supported since 2004. Sponsorship was directed towards the financing of:
  - an Assistant School Community Facilitator to address the issue of absenteeism
  - a remedial teacher to help low-achieving pupils catch up and gradually improve their performance
  - rewards for those attending school regularly and for the best performers at the national end-of-primary CPE examinations
  - a Parents' Club to improve communication, share information and enhance parental involvement in school activities
  - educational outings.

  The Foundation also attends meetings of the School Improvement Unit, during which achievements and challenges faced are discussed with other stakeholders and sponsors.

CORPORATE PROGRAMME (cont'd)

Actions with local community and development programs (cont'd)

- The integration of children needing additional support in Cité Mère Teresa, an underprivileged area in Triolet

The Foundation maintained its support to SAFIRE *(Service d'Accompagnement, de Formation, d'Intégration et de Réhabilitation de l'Enfant)* for a social worker for the daily monitoring and follow-up of some 35 disadvantaged children and for training sessions for unemployed women. Over the past five years, out of the 35 children sponsored, 15 now have a stable job and one succeeded to integrate a secondary school, despite a very bad start at the primary level. Since 2015, among the unemployed women, 6 are now actively involved in a paper bag recycling project and have been able to deliver some 5,000 bags. (statistics table in annex 5).

- Autism Mauritius' new branch in the North

In 2015, the Foundation supported Autism Mauritius' project to provide specialised schooling for autistic children, contributing educators' salaries and school running costs. Three more children joined the branch, so that there are now six children receiving specialised education in the North. The children's progress and learning abilities are steadily improving.

- The organisation of a recreational day and a Christmas party for youngsters in Camp La Cloche in the North

Games, a jumping castle, various goodies, lunch, refreshments and Christmas gifts distributed by Santa Claus – all organised to bring Christmas joy to some 55 vulnerable children. The event was held at the *Relais d'Espérance*, a centre run by Caritas at Pointe aux Piments on a plot of land that Terra leases to the NGO.

- The organisation of a recreational day and Christmas gifts for boys living in a state shelter, *L'oiseau du Paradis*, managed by the Human Service Trust

This year the Foundation sponsored a lunch and a cinema show for some 37 children, as well as providing them with Christmas presents.

DEVELOPMENT PROGRAMS

New Projects in 2015

1. Education and Training

- **ZEP School Jean Eon** in Grand Gaube. Partial sponsorship of a covered courtyard to provide children with shade and shelter from the rain as well as with facilities for holding their daily assembly.
- **Special Educational Needs Society.** Partial sponsorship of the school fees of a student from a low-income family.

2. Poverty Alleviation and Health Care

Poverty Alleviation

- ***Lacaz Lespwar*, a Caritas Solitude Project.** Since it was set up, the Foundation has continually raised the level of its commitment to this project and has become a major long-term partner. In 2015, support was directed towards the sponsorship of breakfasts and lunches for students from needy families and towards financing after-school IT courses for beginners, as well as holiday activities. The project is housed on a plot of land in Solitude which Terra leased to the NGO in 2009.
- ***Mouvement pour l'Autosuffisance Alimentaire.*** Sponsorship of laying hens for a project for five families in an impoverished area in Goodlands. The Movement aims at training families to start an income-generating project.
- **National Social Housing Project, Epiaire 2 Smart Residence, at d'Epinay**. Partial sponsorship of a playground for children from an underprivileged part of the area.
- **Visits to the Sugar Museum.** Sponsorship of admission fees to *L'Aventure du Sucre* for 233 children and their adult supervisors, an activity involving five NGOs.

Healthcare

- ***Centre de Solidarité pour une nouvelle vie***. Support for extension works to its residential centre at Solitude in order to provide more patients with rehabilitation support. The Centre has leased the premises from Terra for a nominal fee for the last 25 years.
- **Link to Life.** Help with the treatment of two cancer patient suffering from lymphoedema. The Group also leased a plot of land to this NGO for their new branch in the North. In 2015, the communications department also launched the Movember initiative in the Group, whereby the men were invited to grow their 'moustache' during the month of November. The aim was to raise funds for the cancer diseases affecting men principally. The sum of MUR 145,000 was collected among the employees and public in general (including a contribution from the Group) and was remitted to Link to Life.

3. Projects sponsored in Rodrigues

In 2015, the main projects funded in Rodrigues were:

- **Educational trip to Mauritius**
  The Foundation contributed to the costs of one day of the trip for 8 schools (some 397 students and 200 adults from Rodrigues), including transport, lunch, and entry tickets to the Sugar Museum.

DEVELOPMENT PROGRAMS (cont'd)

3. Projects sponsored in Rodrigues (cont'd)

- **NGO Gonzague Pierre Louis**
  The Foundation sponsored the visit of eight handicapped children and their four adult supervisors to the Sugar Museum as well as their transport and lunch.
- **Meal allowance**
  This Caritas-led project aims at providing a meal to students coming from very poor families, often from single-parent households. The Foundation contributed to the costs of meals for some 298 students in 2015.
- **Fee support to students studying at the University of Mauritius**
  The Foundation renewed its sponsorship of three students from underprivileged backgrounds.
- **Terre Rouge Government School**
  The Foundation donated books to the school library.
- ***Les Amis de Zippy***
  The Foundation sponsored this programme for a school in Rodrigues, the Batatran Government School. The programme aims to teach children how to address the emotional impact of difficult situations in order to curb violence at school, at home and in society in general.

Further details on on-going projects can be found in Annex 5.

G4-DMA G4-SO11

Terra monitors through its media and social networking website any grievance related to its impact on society. It has also hired the service of a private public relations and communications firm that closely monitors such issues. In the event of a major issue arising, the crisis management team at Terra meets and proposes solutions. No such grievance was reported in 2015. Meanwhile, Terra is working on a more structured response to address grievances. More information will be available in the next reporting cycle.

Louis Denis Koenig
Chairman, CSR Committee

History and philosophy

The Terra Foundation was created as an entity dedicated exclusively to Corporate Social Responsibility (CSR) in December 2009 to ensure the enhanced coordination and sustainability of the group's CSR programme. It promotes community development at a regional and national level in line with applicable National CSR Guidelines.

The Group's social-welfare activity is therefore mainly channelled through the Terra Foundation. It finances projects set up and managed by non-governmental organisations (NGOs) and local grassroots associations.

In accordance with the Group's vision, the Terra Foundation is committed to running socially responsible and sustainable operations. It strives to contribute effectively to social development and to assist in preparing the younger generation for future challenges.

The CSR Manager runs the Foundation's operations under the stewardship of the CSR Committee. She is responsible for pre-selecting, appraising, supporting and following-up on social projects supported by the Foundation. She also runs twice-yearly monitoring meetings with NGOs or project officers to ensure everything is progressing smoothly and to demonstrate the Group's involvement and commitment.

08:20

Human Resources

Human resources

Mission statement G4-DMA G4-26

The Group Human Resources (HR) Department partners each of Terra's business units and acts as an enabler in the implementation of their various strategies. The department's activity is led by its maxim: "We nurture and develop our employees to help them achieve their potential."

G4-SO8

As regards the legal framework governing employment in Mauritius, Terra complies with the Employment Rights Act 2008 and Employment Relations Act 2008 to ensure that employees are adequately remunerated and are provided with a respectful working environment that is free from any form of inappropriate or unprofessional behaviour such as harassment and discrimination based on gender, age, race, colour, caste, creed, sex, sexual orientation, HIV status, religion, political opinion, place of origin, or ethnic or social origin. Through the HR department, each entity takes care of employee welfare facilities. All employees irrespective of gender are rewarded for their contribution to the Group's operating and financial performance, in accordance with the remuneration policy. Terra's management approach is also aligned with the Constitution of Mauritius and the Equal Opportunities Act 2008.

Terra recognises the right of every employee to the freedom of association. Terragri and Terra Milling, as part of the sugar industry in Mauritius, are also regulated by Sugar Industry Remuneration Orders which set the minimum wages and conditions of employment of various categories of workers. Such legislation allows employees in this sector to set up effective tripartite institutions (employers, workers and government) to facilitate collective bargaining and employment relations in the Mauritian labour market. They are governed, up to 31 December 2017, by Collective Agreements obtained through the former Mauritius Sugar Producers' Association (MSPA) and the Joint Negotiating Panel (a consortium of trade unions).

As far as the Group's other companies are concerned, continual efforts are made to work in collaboration with duly chosen employee representatives in the common pursuit of the interests of the employees and the Company's mission. The workers' councils at Terragri, Terra Milling and Grays Inc. remain effective platforms for communication between employees and management. Moreover, with the open-door policy being practised, employees are able to voice their concerns to their supervisors and can also appeal to a higher level if a grievance is not resolved.

Terra values G4-56

The HR Department remains focused on further reinforcing a group culture and getting employees to not only understand Terra's values but also make them a part of their lives in both their work and family environments.

With over 177 years of existence, Terra has had to continually innovate in order to survive and prosper over the years, to become one of the top organisations in Mauritius today. With a value being chosen every year, 2015 was decreed the Year of Innovation, celebrated with several activities throughout the year. All 1,336 employees were encouraged to follow a three-hour innovation training session delivered by the National Productivity and Competitiveness Council (NPCC). In addition, an internal contest, Innov @ Terra, was organised and employees who worked on innovative and significant projects in recent years received a recognition award. Winning projects in the competition are currently being examined at company level with a view to their implementation.

Welfare activities

Group welfare activities were continued in 2015 with the second edition of the Terra Trail, which was another great success. It was held at *Le Domaine de Rambouillet*, with the participation of more than 800 employees. Various other activities included Group Happy Hours and the Annual Children's party.

2015 in review

Performance management

With all companies having adopted a performance management system, 2015 saw the first appraisals being conducted at Terragri, Terra Milling and Terragen. They were seen as an excellent first step towards creating a performance-oriented culture. The objective for 2016 is to further refine objective setting and development of specific Key Performance Indicators (KPI) to improve performance measurement. The Group Human Resource team was given an additional staff member in 2015 with the aim of providing Group companies with further training and support facilities.

Communication

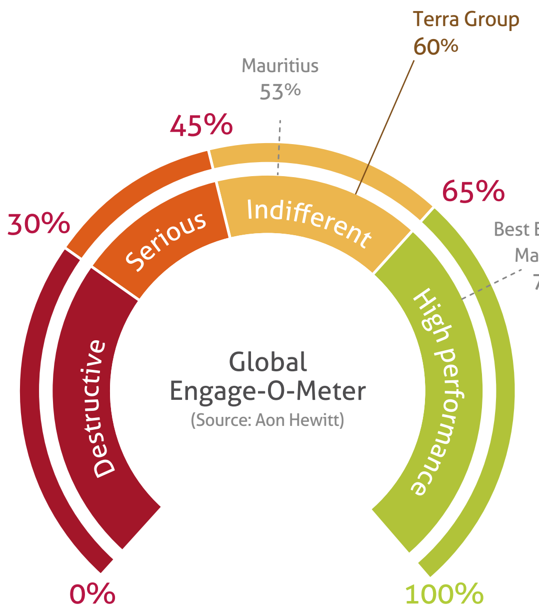
Terra believes that effective internal and external communication with all stakeholders is vital to enhance transparency, as well as having a strategic role in conveying the organisation's values and visions. In 2015, Terra's website was translated into French so that the brand can reach a wider audience and have a stronger impact on consumers. With the help of external partners, the department continues to work hard to build Terra's strong reputation as an employer.

2015 in review (cont'd)

Employee engagement survey

Like other companies. Terra uses employee engagement surveys to identify drivers for positive behaviour, which might have a beneficial effect on employee satisfaction. At the same time, measuring employee engagement enables an organisation to put in place appropriate strategies to improve employee performance and retention and attraction of new talent.

After successfully completing its first employee engagement survey in 2014 with a score of 62%, Terra conducted a similar exercise in 2015. Whereas employee engagement in Mauritius saw a decline from 64% in 2014 to 53% in 2015, there was only a slight decline in Terra's engagement score, from 62% to 60%. It was encouraging to note that four out of the seven companies participating (Sugarworld, Grays Inc., Grays Distilling and Terra's Head Office) fell in the high-performance bracket. All companies organised additional focus groups to identify pain points, the priority engagement drivers that needed to be worked on and the implementation of action plans. The survey will continue to be conducted every year so that Terra can measure its progress, benchmarked against the Mauritian market. The results of the 2015 survey are as below.



Training G4-DMA G4-LA9

A key focus area in 2015 was learning and development and they will remain priorities in the years to come in order to build a learning organisation which can play a critical role in Terra's future.

The flagship project in this respect was the creation of OPTIMUM, a leadership development programme. The aim is to equip management-level employees with essential skills and competencies to help them grow as leaders. The programme consisted of four customised modules, Self-leadership & Mastery, Influencing others for Results, The Leader as a Coach and Resilient Leadership. In addition to the four trainers involved, two certified coaches conducted sessions with small groups of three to five participants after each module, to assist participants in implementing these new skills and devising their action plans. The programme was launched in August 2015 and will be completed in May 2016.

Meanwhile, in-depth training needs analyses are routinely conducted within each company to enable training plans to be drawn up. In 2015, a total of MUR 7.4 million was spent on training, which represents an average of some MUR 5,457 per employee.

2016 Action plan

The Human Resource Department's focus for 2016 will be on three fronts: Creating and fostering a performance culture, acting as enablers to achieve operational excellence and investing in employees' learning and development. A competency framework will be developed in 2016 to enable Terra to identify the critical behaviours and aptitudes that individuals need to display in order to be able to contribute to building a culture that is in line with organisational values. By building the different competency models required at different levels and in different functions, Terra will be able to effectively set the bases for developing, recruiting and promoting individuals in line with Terra' strategy and values.

HR will be conducting a remuneration survey for all levels of employees in 2016 to ensure that the Group remains competitive on the local market and in line with its internal remuneration policy. This survey is conducted every two years in each company and at all staff level.

Succession planning remains a priority especially for Terragri and Terra Milling, where over 60% of permanent staff in critical positions are over 45. A detailed action plan is being put in place to train and develop current talent and recruit new talent as necessary to prepare for succession.

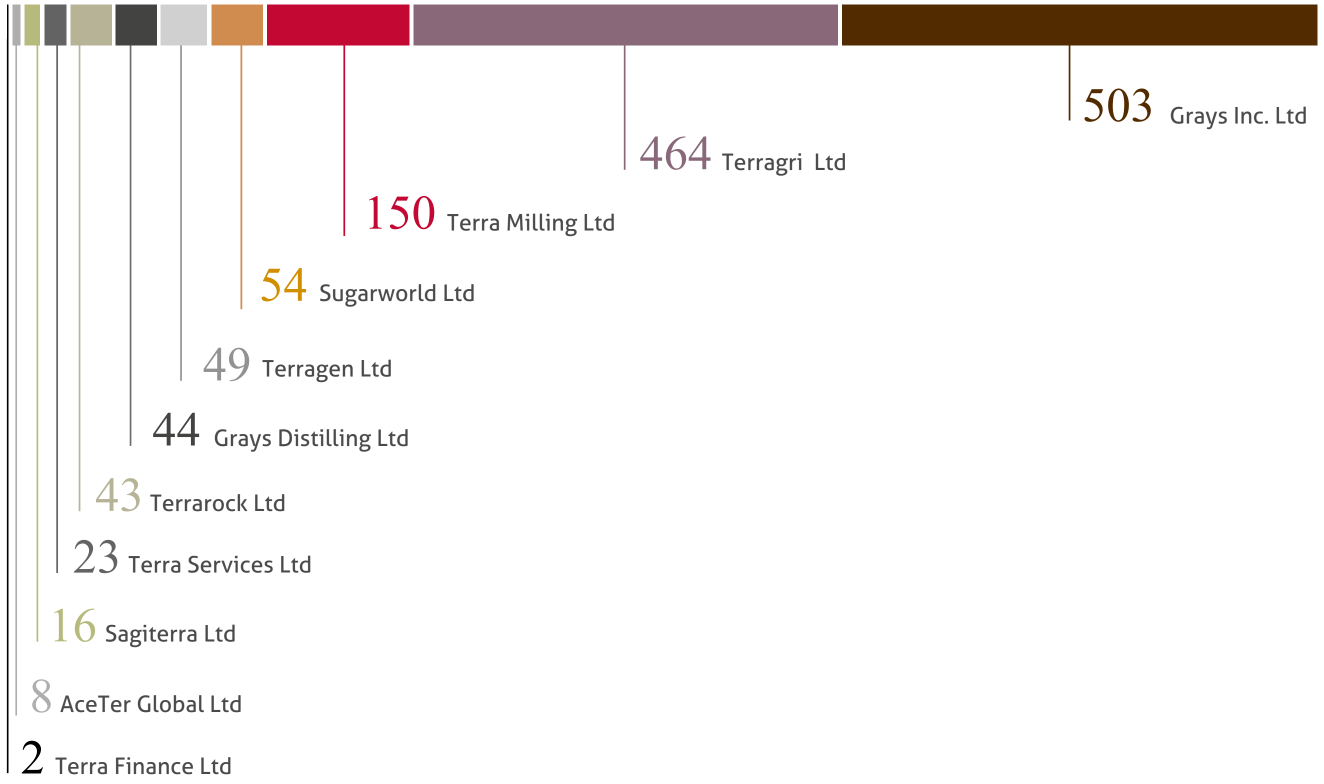
Also in 2016, additional leadership development programmes will be developed for executive and supervisory level employees, in line with HR's overarching learning and development strategy to ensure the sharing of identified and specific leadership competencies.

Employees in each company represented as a % G4-9

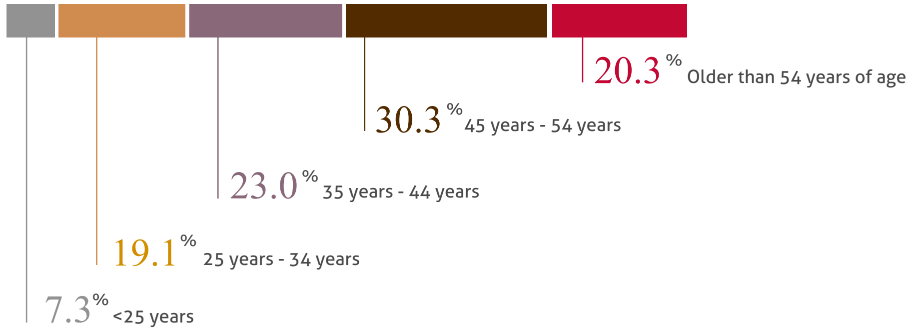
The total number of permanent employees as at 31 December 2015 was 1,356, split as follows:

Company	Headcount as at end of year	Headcount as % of total
Terragen Ltd	49	3.6%
Terra Services Ltd	23	1.7%
Sagiterra Ltd	16	1.2%
AceTer Global Ltd	8	0.6%
Grays Inc. Ltd	503	37.1%
Grays Distilling Ltd	44	3.2%
Terra Milling Ltd	150	11.1%
Terra Finance Ltd	2	0.1%
Terrarock Ltd	43	3.2%
Sugarworld Ltd	54	4.0%
Terragri Ltd	464	34.2%
	1,356	100.0%

Split of total number of permanent employees as at 31 December 2015



Age groups of employees as at 31 December 2015



<25 years	7.3%
25 years - 34 years	19.1%
35 years - 44 years	23.0%
45 years - 54 years	30.3%
Older than 54 years of age	20.3%
	100.0%

G4-DMA G4-LA4

Although there are no legally defined notice periods regarding operational changes in Mauritius, the Group allows around 1-2 weeks' notice period depending on the changes and believes in constructive communication between employees and management, as discussed earlier. The Code of Practice of the Employment Relations Act 2008 serves as a guidance to promote good employment relations. This act emphasises communication and consultation particularly in times of change and collective bargaining as well.

G4-HR4

The Group had neither operations nor suppliers in which employees' rights to exercise freedom of association and collective bargaining was violated or was at significant risk. As stated earlier, Terra respects its employees' right to freely join a trade union and guarantees that no discriminating action will be taken against them.

15:45

Environmental Performance

Environmental performance

G4-1 G4-DMA G4-EN29 G4-SO8

Terra embarked on the route to a sustainable future a few years ago. Ever since, the Company has striven to identify opportunities to adopt good environmental and social practices in its operations to sustain economic growth. In line with its vision, Terra is currently designing a sustainability framework and strategy for the Group.

Terra complies with environmental laws and regulations and ensures that raw materials and natural resources are used efficiently to prevent any type of pollution and minimise waste generation. Moreover, several certification processes based on internationally recognised standards are in progress. The continual efforts made by the entities to enhance their performance are listed below.

The operations of Terra, as illustrated in the chart on page 27, spring for the most part from sugarcane cultivation. They follow the principle of a closed loop industrial ecological system, whereby waste produced from individual activities is recovered and used as a valuable input for other processes. The chart shows the flow of materials, products, by-products, energy, emissions and waste of each cluster. An important principle that Terra strives to adhere to is the precautionary principle, which is reflected in its adoption of an industrial ecosystem approach. Water circulation and effluents produced are not included in the chart in order to limit the level of complexity.

G4-EN29 G4-SO8 G4-EN34

Any environmental grievance is taken care of by each entity. There was no such grievance in 2015 and no entity was subject to any fine or received any non-monetary sanction for non-compliance with environmental laws and regulations, except for Terra Milling. During the 2015 crop season, inhabitants of nearby villages complained about odours emanating from the effluent and storm ponds of Terra Milling. The following measures will be implemented in 2016 to eliminate this problem: use of an odour inhibitor (Inhitone P1/MF P) injected into the effluent when it is used for irrigation; extension of the irrigation network to new areas further away from the villages; use of a gel (Idragel NV DOW 6 P) on platforms between the ponds and the villages to prevent any emanation of unpleasant odours.

Status of certification process at Terra G4-1

Entity	Standards	Status
Terra Milling Ltd	BRC Global Standards for Food Safety	Certified by SGS since 2007 with a re-certification audit done annually to maintain the certificate.
	OHSAS 18001:2007	First certification audit scheduled for 2016.
Terragen Ltd	ISO 9001:2008 ILO OSH:2001 ISO 14001:2004	Certified by AFNOR since 2013 with surveillance audits each year until 2015. A re-certification audit is scheduled in 2016.
Grays Inc. Ltd & Grays Distilling Ltd	ISO 9001:2015 OHSAS 18001:2007 ISO 14001:2015	Implementation is in progress following the gap analysis that was carried out by an expert consultant.
Terragri Ltd	ISO 9001:2015 OHSAS 18001:2007 or ISO 45001 ISO 14001:2015	To be initiated in 2017.

Environmental performance (cont'd)

Renewable and non-renewable material G4-DMA G4-EN1

As mentioned in previous sections, Terragen and Terra Milling are jointly investing in new energy-saving installations such as vacuum belt filters, juice and syrup heaters, and a syrup reservoir, which help to optimise the production of *bagasse* and export more electricity to the grid as well as reduce dependence on coal. The two vacuum belt filters can save around 6,000 tonnes of *bagasse* for re-use. In addition, sugarcane trash, a renewable energy resource, is being mixed with *bagasse* for energy generation at Terragen. In 2015, its combustion avoided the use of 1,000 tonnes of coal. The target is to combust 10,000 tonnes of sugarcane trash in 2016.

We also saw positive environmental impacts in 2015 thanks to good agricultural practices such as the proper alignment of sugarcane lines that reduces soil erosion, fencing of sugarcane fields to prevent cane fires, the increased use of organic and the judicious use of inorganic fertilisers, nearly no pesticide use in sugarcane and low irrigation which means less pumping and lower electricity consumption. Baling of sugarcane trash also prevents the risk of cane fire.

		2015	2014	2013
Renewable materials				
Terra Milling Ltd	Sugar cane, tonnes	952,304	905,056	800,993
Terragen Ltd	*Bagasse*, tonnes	356,795	293,918	274,028
	Sugarcane trash, tonnes	2,000	-	-
Grays Distilling Ltd	Molasses, tonnes	24,360	30,617	20,286
Grays Inc. Ltd	Alcohol (100%), m^3	928	764	867
	Bulk wines and spirits, m^3	433	355	290
Topterra Ltd	*Vinasse*, m^3	49,809	53,034	60,088
Terragri Ltd	Organic fertilisers (CMS), tonnes	8,429	7,536	5,058
Non-renewable materials				
Terragri Ltd	Liquid mineral fertilisers, tonnes	1,488	1,330	893
	Solid fertilisers, tonnes	1,016	1,054	717
	Diesel, m^3	1,069	1,164	1,482
Terragen Ltd	Coal, tonnes	188,744	188,425	189,759
Terrarock Ltd	Boulders, tonnes	263,655	233,444	278,810

G4-EN2

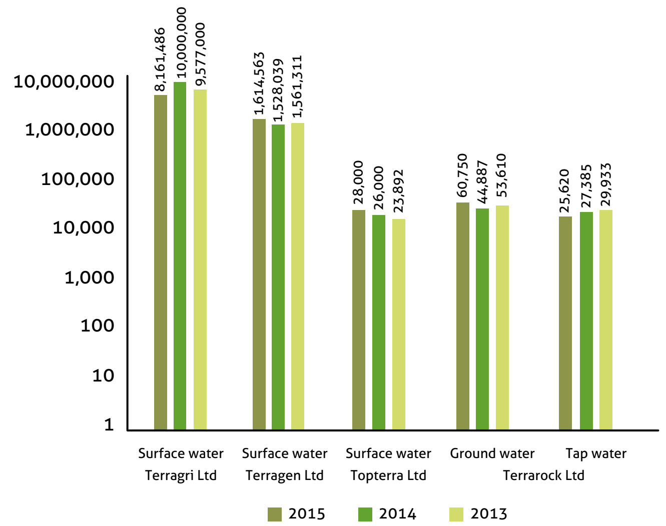
Grays Inc. Ltd encourages its customers to return back specific glass bottles to the former. The share of recycled bottles used as input to the production process was around 40% in 2015. Annex 2 shows the other non-renewable process materials that have a small share in total raw materials.

Water G4-DMA G4-EN8

While a significant amount of water is used for the irrigation of sugarcane fields, the other major use of water is in the day-to-day operation of the entities. La Nicolière Reservoir is the main supplier of water, together with an irrigation canal at Beau Plan. Water consumption is closely monitored to optimise production and reduce effluent generation across the process.

Total water withdrawal by source is shown below:

Entity	Source of water withdrawal (m^3)	2015	2014	2013
Terragri Ltd	Surface water	8,161,486	10,000,000	9,557,000
Terragen Ltd	Surface water	1,614,563	1,528,039	1,561,311
Topterra Ltd	Surface water	28,000	26,000	23,892
Terrarock Ltd	Groundwater	60,750	44,887	53,610
	Tap water	25,626	27,385	29,933

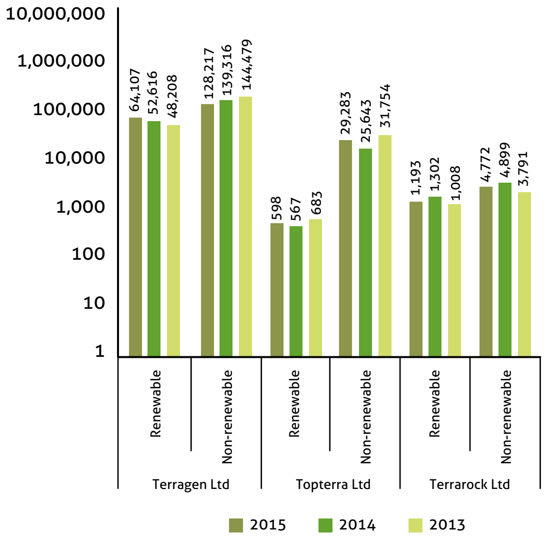


Water (cont'd)

Energy consumption G4-DMA G4-EN3

Electricity, steam, *bagasse*, coal and diesel are the principal energy sources used by Terra's entities. The table below shows the energy consumption within the entities for their operations in 2015. Terra is not subject to any regulations and policies for energy in the national or industrial context.

Entity	Energy source (GJ)	2015	2014	2013
Terragen Ltd	Renewable	64,107	52,616	48,208
	Non-renewable	128,217	139,316	144,479
Topterra Ltd	Renewable	598	567	683
	Non-renewable	29,283	25,643	31,754
Terrarock Ltd	Renewable	1,193	1,302	1,008
	Non-renewable	4,772	4,899	3,791



Effluents & waste G4-DMA G4-EN23

On the effluent management side, the entities which were involved in the comprehensive study of their effluents are implementing the recommended actions. These include the restructuring of the laboratory and recycling of part effluent at Grays Inc., revamping of the washing bay (vehicles) at Terragri, and monitoring of effluent parameters before discharge into canals or land for irrigation.

Mauritius will witness a major innovation in 2016 with the commissioning and start-up of a plant that will transform coal ash by reducing its carbon content. Some 25,000 tonnes of ash will be sent yearly for treatment to Thermal Valorisation, situated in Omnicane's industrial zone. Lafarge will buy the low-carbon ash for use as an additive in its products.

Effluents & waste (cont'd)

Entity	Waste Quantity	Category	Disposal Method
Terra Milling Ltd	Organic waste: 679 tonnes	Non-hazardous	It is disposed of at Terragri's solid waste disposal site.
	Lead acetate: none	Hazardous	The use of lead acetate has been completely phased out thanks to the adoption of new methodologies of analysis: pressure filtration and near-infrared analysis.
Terragen Ltd	*Bagasse* fly ash: 16,860 tonnes	Non-hazardous	It is mixed with filter cake and used as a soil conditioner in fields.
	Coal fly ash: 13,860 tonnes	Non-hazardous	Coal ash is currently being used as filler in the process of derocking sugarcane fields. Once Thermal Valorisation is operational in September 2016, coal ash will be burnt.
	Coal bottom ash: 34,795 tonnes	Non-hazardous	
	Paper, cardboard, plastic, domestic solid waste, scrap metal and industrial waste	Non-hazardous	Around 0.15% of total amount of waste generated. They are recycled by authorised facilities, while domestic and industrial waste is disposed of in landfill sites.
	Used oil	Hazardous	Used oil represented 0.008% of the total quantity of waste generated. It is collected, processed and re-used by an authorised company.
Topterra Ltd	Acid condensate: 32,771 tonnes	Hazardous	27,000 tonnes were treated on site, while the remainder was carted away to the Roche Bois treatment facility.
Terrarock Ltd	Solidified mud: 25,000 tonnes	Non-hazardous	Solidified mud is used as a filler in sugarcane fields.

Environmental performance (cont'd)

Air emissions G4-DMA

Mauritius carries out a greenhouse gas inventory based on national energy statistics as it is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. As a non-Annex 1 country, Mauritius does not have any mandatory greenhouse-gas emission-reduction target under the Protocol.

Direct greenhouse gas (GHG) emissions (Scope 1) G4-EN15

The combustion of coal at Terragen generated around 435,088 tonnes of CO_2-equivalent greenhouse gases in 2015, particularly carbon dioxide, methane and nitrous oxide, based on IPCC 2006 guidelines methodology and coal composition analysis. Biogenic carbon dioxide amounted to 298,806 tonnes of CO_2, thanks to the combustion of a mixture of *bagasse* and sugarcane trash during the crop season. The latter has a positive impact on the environment as it offsets the utilisation of corresponding coal CO_2 emissions. Biogenic CO_2 emissions refer to CO_2 emissions from combustion or biodegradation of biomass only. Scope 1 CO_2 emissions resulting from coal transportation from harbour to Terragen were around 462 tonnes in 2015.

NOx, SO_2, and solid particles emissions G4-EN21

NO_x, SO_2 and particulate matter are continuously monitored by Terragen. Thanks to the presence of highly efficient (99.9%) electrostatic precipitators that capture most of the solid particles, the average annual values for NO_x, SO_2 and particulate matter are well below the applicable 1998 air standards regulations.

Parameter (mg/Nm^3) at 6% O_2	2015	2014	2013
NO_x	532	670	691
SO_2	837	986	834
Particulate matter (PM10) - *bagasse*	20	55	19
Particulate matter (PM10) - coal	41	74	61

A recent analysis of air within the premises of Terrarock showed that the level of particulate matter (PM10) is slightly higher than the ambient 1998 air standards regulations. This is being investigated and mitigating measures will be implemented.

Transport G4-DMA G4-EN30

Greenhouse-gas emissions from the Terragri vehicle fleet continue to have a significant impact on the environment. Around 80% of land under cane cultivation is fully mechanised as regards to the growing, harvesting and transport of cane to the milling factory. Terragri is also a carrier of sugar, coal and bagasse fly ash for Terra Milling and Terragen respectively.

The table below shows Scope 1 carbon dioxide emissions from the fleet of vehicles operated by Terragri.

CO_2 emissions (tonnes)	2015	2014	2013
Terragri Ltd	2,782.52	4,342.37	4,039.96
Terra Milling Ltd	647.14	620.11	714.71
Terragen Ltd	462.00	255.61	400.29

Environmental protection expenditures and investments G4-DMA G4-EN31

Terra's entities adopt a precautionary approach to promote environment protection, while reducing negative environmental impacts. For some entities, expenditure for environmental protection is embedded in operational costs, while those related to waste and effluent disposal and control of atmospheric emissions are effected so as to comply with EPA 2002 and associated regulations. The target for budgeting environmental protection expenditure is aligned with Terra's vision and also dictated, to some extent, by the EPA 2002. The entities go beyond the applicable regulations in some sectors to continually enhance environmental performance.

Environmental performance (cont'd)

Environmental protection expenditures and investments (cont'd)

Entity	Type of expenditure	2015 (MUR)	2014 (MUR)	2013 (MUR)
Terragen Ltd	Environmental management programme - actions	128,170	95,571	639,840
	Waste management & disposal	268,150	161,919	338,118
	Control of effluent & spills	474,359	597,420	687,848
	Control of atmospheric emissions	2,254,548	2,460,664	1,090,684
Topterra Ltd	Effluent disposal	4,557,642	4,865,333	235,585
	Operational costs of acid-condensate treatment plant	3,177,507	1,816,575	2,773,906
Terrarock Ltd	Control of solid particle emissions – maintenance costs of dedusting system by water atomisation and effluent management	241,500	80,700	165,200
Sugarworld Ltd	Used kitchen oil disposal	Free of charge	Free of charge	Free of charge

BOARD OF DIRECTORS

From left to right: Alexis Harel, Henri Harel, Alain Vallet, François Montocchio, Margaret Wong, Hubert Harel, Nikhil Treebhoohun, Maurice de Marassé Enouf, Nicolas Maigrot, Daniel Nairac, Dominique de Froberville.

Board members Profiles

DANIEL NAIRAC (72)

BA Honours (Classics and PPE) (Oxford)
Nonexecutive Chairman – First appointed to the Board 2012

Daniel Nairac started his career as an economist with the Charter Consolidated Anglo-American Group in London in 1968. He stayed with that group up to 1976 as a member of the management team in Paris and as Administration Manager of a copper-cobalt project in Zaire. After a brief stay in Mauritius between 1976 and 1979, where he worked for the Espitalier-Noël Group, he again left for Europe, first working as an advisor to diamond companies in Antwerp and then, as from 1981 until his retirement in 2005, as Divisional Manager and Senior Advisor to the directorate for the ACP-EU Centre for the Development of Enterprise in Brussels. Now based in Mauritius, he continues to collaborate with a mining company in Africa and is the director of a mining exploration offshore company based in Mauritius.

MAURICE DE MARASSÉ ENOUF (70)

Noneexecutive Director – First appointed to the Board 2007

Maurice Enouf started his career at De Chazal Du Mée (Chartered Accountants) in 1963 and briefly worked for the Rogers Group. He then joined Flacq United Estates Ltd as Group Internal Audit Manager in 1973. He was appointed Group Accountant for Medine S.E in 1983 and, soon after, was promoted Chief Accountant and Finance Manager of the WEAL Group, a post that he occupied until his retirement in 2001. He is nowadays self-employed.

Directorships of listed companies:
- Innodis Ltd
- Mauritius Oil Refineries Ltd

DOMINIQUE DE FROBERVILLE (56)

Maîtrise en Chimie Industrielle (France); MBA (England)
Nonexecutive Director - First appointed to the Board 2003 and reappointed in 2010

Dominique de Froberville started his career as Production Manager in the paint and optical industries before being appointed to managerial positions in the operational divisions of two textile groups. He joined Mauritius Freeport Development Company Ltd in 2001 as Director of Operations and has since been promoted to the post of Chief Executive Officer. He served as a Board member of the Company from 2003 to 2006 and as Audit Committee member between 2003 and 2005. He has been a Council member of the Mauritius Employers Federation and is a Council member of the Mauritius Exporters Association.

HUBERT HAREL (51)

National Diploma in Management, Technikon, Natal (South Africa)
Nonexecutive Director – First appointed to the Board 2012

Hubert Harel started his career in South Africa in 1988 with South African Clothing (Seardel Group). Upon his return to Mauritius in 1991, he occupied managerial positions in the operations divisions of two textile groups. From 2005 to date he has been the Managing Director of Standard Labels Ltd. He was a director of The Mount Sugar Estates Company Ltd from 2008 until the amalgamation of that company with Harel Frères Limited on 1st January 2010. He currently serves as director on several domestic and off-shore company boards.

HENRI HAREL (55)

ACIS (South Africa)
Executive Director – First appointed to the Board 1996

Henri Harel first worked in South Africa as an auditor with De Ravel, Boulle, Saad & Wyman (Chartered Accountants). He then occupied the post of Internal Auditor with Toyota SA Manufacturing and that of Financial Accountant at Amalgamated Beverage Industries Ltd (Coca-Cola). Upon his return to Mauritius in 1991, he worked for *Société de Gérance de Mon Loisir* as Financial Controller until 1996, when he joined Harel Frères Limited in a similar capacity. He is at present the group's Chief Finance Officer and a Management Committee member. He has also been the Chairman of the Sugar Industry Pension Fund and of its Finance and Investment Committee.

Directorship of listed companies:
- Swan General Ltd

CYRIL MAYER (64)

BCom, Chartered Accountant (South Africa)
Managing Director (up to 31 December 2015) – First appointed to the Board 1992

Cyril Mayer joined the Group as a management executive in 1989. He served as Executive Chairman from 1992 to 2003, when he stepped down and was appointed Group Managing Director. As such, he had overall responsibility for Group activities and headed the Management Committee. He has served on most of the sugar sector institutions, the Mauritius Employers Federation and the Joint Economic Council.

Directorships of listed companies:
- Swan General Ltd (Nonexecutive Chairman up to 31 December 2015)
- United Docks Ltd (up to 31 December 2015)

ALEXIS HAREL (53)

BSc (Bus. Admin) (USA)
Executive director – First appointed to the Board 1999

Having started a career in auditing with De Chazal Du Mée (Chartered Accountants), Alexis Harel then occupied managerial positions in the industrial and IT sectors before joining Grays as Commercial Executive in 1992. He is a member of Terra's Management Committee.

Directorships of listed companies:
- Lux Island Resorts Ltd
- United Docks Ltd

ALAIN VALLET (61)

Advanced Certificate in Business Studies (London)
Executive director – First appointed to the Board 1992

Alain Vallet joined the Group in 1979 as marketing executive for wine and spirits. He actively participated in the re-engineering of the Grays cluster in the early Eighties and was appointed Chief Executive Officer in 1989 and a Grays director in 1993. He is a member of Terra's Management Committee. He has served with a number of private sector institutions, such as The Mauritius Chamber of Commerce and Industry, the Association of Mauritian Manufacturers and the Mauritius Employers Federation.

Directorship of listed companies:
- Compagnie des Magasins Populaires Ltée

FRANÇOIS MONTOCCHIO (70)

Fellow of the Association of International Accountants (UK)
Independent nonexecutive director – First appointed to the Board 2010

François Montocchio was an Executive Director of Harel Mallac & Company Ltd between 1967 and 1982. He then left for South Africa where he held financial and administrative positions. On his return to Mauritius in 1994, he was appointed Financial Manager of *Compagnie des Grandes Surfaces Limitée*. He became thereafter the General Manager of Standard Continuous Stationery Ltd in 1995 and set up Standards Labels Limited in 1997. He was the Chief Executive Officer of Harel Mallac & Company Ltd from 2005 to 2007 and a member of its board of directors between 2005 and 2010. He was also the Chairman of the Mauritius Chemical and Fertilizer Industry Limited up to September 2007 and the Chairman of The Mount Sugar Estates Company Limited from July 2007 until its amalgamation with Harel Frères Limited on 1st January 2010.

Directorship of listed companies:
- The Mauritius Development Investment Trust Company Ltd

NIKHIL TREEBHOOHUN (61)

BSc (Hons) Economy, Industry and Trade, London School of Economics (UK)
Postgraduate Diploma in Financial Management, University of New England (Australia)
Postgraduate Diploma in Development Planning Techniques (Netherlands)
Fellow of the World Academy of Productivity Science
Independent Nonexecutive Director – First appointed to the Board 2014

Upon his return to Mauritius in 1978 after his studies in London, Nikhil Treebhoohun started his career as a teacher in Economics at secondary level. He then joined the civil service in 1981 as Economist at the then Ministry of Economic Planning and Development and was appointed as Senior Industrial Development Officer at the Ministry of Industry between 1986 and 1987. After being a lecturer in Economics at the University of Mauritius from 1987 to 1989, he was the first Projects Manager at the Industrial and Vocational Training Board between 1989 and 1992. He then set up the Export Processing Zone Development Authority and was its Director from 1992 up to 2000. He acted as the first Executive Director of the National Productivity and Competitiveness Council (NPCC) from 2000 to 2005, when he joined the Trade Section of the Commonwealth Secretariat as its Adviser and Head. In 2011, he was appointed as Chairman of Oxford International Consultants (Mauritius) Ltd and, between 2011 and 2014, was the Chief Executive Officer of Global Finance Mauritius.

MARGARET CHUI PUING WONG PING LUN (62)

Fellow of the Institute of Chartered Accountants in England and Wales - FCA
BA Honours (Business Studies) (London)
Independent Nonexecutive Director – First appointed to the Board 2012

Margaret Wong worked as Manager of the Consultancy Department of De Chazal Du Mée, Chartered Accountants, between 1985 and 1990, when she joined the University of Mauritius as Lecturer in Accounting and Finance. She was a member of the Listing Executive Committee of the Stock Exchange of Mauritius. Margaret Wong serves as an independent director on the Board of the MCB Group.

Directorship of listed companies:
- MCB Group Ltd

LOUIS DENIS KOENIG (49)

Maîtrise es Sciences Economiques (Economie d'Entreprise)
Diplôme d'Etudes Supérieures Spécialisées (Finance) – (France)
Management and Administrative Executive

Louis Denis Koenig worked as a statistician at The Anglo-Mauritius Assurance Society Limited before joining the Group in 1990 as Assistant Secretary. He is at present a member of the Group's Management Committee and chairs the Terra Foundation's CSR Committee. He held a Dealers Representative licence from the Financial Services Commission and acted in such capacity for Cavell Securities Ltd, from 1992 up to October 2006. He was also a director of The Stock Exchange of Mauritius Ltd and of The Central Depository & Settlement Company Ltd, and was a member of the Index Management Committee (SEM 7) of the Stock Exchange until October 2006. He is a Fellow of the Mauritius Institute of Directors.

NEW APPOINTMENTS

DIDIER HAREL (64)

Didier Harel holds an MBA (with Distinction) at INSEAD *(Institut Européen d'Administration des Affaires)* in Fontainebleau and a BSc. Eng. (First Class Honours) in Chemical Engineering and Chemical Technology at Imperial College of Science and Technology (City and Guilds College) in London. He has a track record of over forty years in the downstream sector of the oil industry, working for the EXXON and TOTAL Groups. He started his career with Esso in Mauritius in July 1974 and was appointed as Managing Director of Esso Reunion in 1982. He joined the TOTAL Group in December 1988. Over the years, he was entrusted several international assignments, as Managing Director & Chief Executive Officer of major TOTAL refining & marketing subsidiaries in Southern Africa and in Europe, and also shouldered an array of senior executive positions at TOTAL's Africa & Middle East Head Office in Paris and within TOTAL France, the home-based marketing and distribution company of the Group. Prior to his retirement in March 2015, he was seconded by TOTAL S.A. as Chairman and CEO of *Société Anonyme de Gestion des Stocks Stratégiques* (SAGESS), the national oil & refined product compulsory stock obligation entity for France.

Directorship of listed companies:
- MCB Group Ltd
- Sun Resorts Ltd

ALAIN REY (56)

Alain Rey holds a BSc (Honours) in Economics from the London School of Economics and Political Science and is a member of the Institute of Chartered Accountants in England and Wales. He started his career in Paris in 1986 as Manager at Citybank NA. After exercising as Financial Director and General Manager in the Mauritian textile industry between 1988 and 2005, he went back to the banking sector as Regional Corporate Director at Barclays Bank plc in Mauritius between 2005 and 2006. He was then appointed as Chief Executive Officer of *Compagnie Sucrière de Mont Choisy Ltée*. He also held directorships at Afrasia Bank between 2006 and 2009 and at The State Bank of Mauritius from 2009 to 2015. He currently acts as director of a number of listed and non-listed companies.

Directorship of listed companies:
- Ascencia Limited
- CIEL Textile Ltd
- MCB Group Ltd
- Rogers and Company Ltd

NICOLAS MAIGROT (47)

BSc Management Sciences (London)
Managing Director

Nicolas Maigrot started his career as Management Controller at Floreal Knitwear in 1989. He headed the Mauritius and Madagascar operations between 1995 and 1998 and was appointed as Chief Executive Officer of Floreal Knitwear in 2003 and of Ciel Textile in 2009. He was then recruited as Chief Executive Officer of Ireland Blyth Limited in 2010, a post he held until 2015. He joined the Group as Deputy Chief Executive Officer in October 2015 and, upon the retirement of Cyril Mayer, he became Managing Director on 1st January 2016.

MANAGEMENT TEAM

1. Alain Vallet 2. Alexis Harel 3. Bernard Desvaux de Marigny 4. Christopher Park 5. Edwige Gufflet 6. Henri Harel 7. Jean-Michel Gérard 8. Joël Villeneuve Anaudin 9. John Laguette 10. Louis Denis Koenig

11. Marie-Annick Auguste 12. Nicolas Eynaud 13. Nicolas Maigrot 14. Noufail Manjoo 15. Patrice Gourel de St Pern 16. Reynolds Laguette 17. Sébastien Mamet 18. Steeve Lareine


1


2


3


4


5


6


7


8


9


10


11


12


13


14


15


16


17


18

Management information

G4-EC6

Group functions:

Management Committee

Cyril Mayer	Managing Director *(up to 31 December 2015)*
Nicolas Maigrot	Managing Director *(as from 1st January 2016)*
Nicolas Eynaud	Real Estate Development Executive *(as from 15 January 2016)*
Alexis Harel	Executive Director
Henri Harel	Group Chief Finance Officer
Louis Denis Koenig *	Administrative Executive
Sébastien Mamet	Strategic Development Executive
Alain Vallet	Executive Director

* Also serves as Secretary to the Committee

Profiles of Management Committee members are set out on pages 78,79 and 83.

Accounts	
Steeve Lareine	Group Accountant
Human Resources	
Christopher Park	Group HR Manager
Information Technology	
John Laguette	Group IT Manager
Corporate Social Responsibility	
Marie-Annick Auguste	CSR Manager

Cane:

Mauritius

Jean Arthur Pilot Lagesse	General Manager *(up to 31 March 2016)*
Reynolds Laguette	Factory Manager

Power:

Terragen Management Ltd	Managers
Jean-Michel Gérard	Plant Manager

Brands:

Bottling and distribution

Alain Vallet	Managing Director
Alexis Harel	Commercial Director

Distillery

Patrice Gourel de St Pern	Plant Manager

Property management:

Bernard Desvaux de Marigny	Managing Director

Stone crushing and block making:

The United Basalt Products Limited	Managers

Leisure:

Edwige Gufflet	Managing Director

Offshore management:

Noufail Manjoo	Executive Director

Treasury management:

Joël Villeneuve Anaudin	General Manager

Profiles of Managers are set out below and on the following page.

Management profiles

MARIE-ANNICK AUGUSTE (45)

BA in Psychology and Communication (South Africa)

Marie-Annick Auguste started her career at the South African High Commission in 1991, working as confidential secretary in the political section. From 2001 to mid-2002, she worked at Desbro International Ltd, part of the Rogers Group. From 2002 to 2009, she was Head of the Sponsorship, Fundraising & Public Relations Department of SOS Children's Villages Mauritius. She was appointed as Terra Foundation's CSR Officer in May 2010 and is now its CSR Manager.

BERNARD DESVAUX DE MARIGNY (59)

Member of the Mauritius Institute of Surveyors (MMIS)

After qualifying as a Land Surveyor in 1981 and being in practice until 1987, Bernard Desvaux de Marigny set up the *Desmarais-Desvaux, Arpenteurs* partnership, which he co-managed until 2001, when he joined the Group as General Manager of Sagiterre.

JEAN-MICHEL GÉRARD (57)

After 15 years as a mechanical officer in the French navy, Jean-Michel Gérard joined Séchilienne-SIDEC in 1993 where, for the next 20 years, he held responsibilities as Engineer, then Trainer and finally as Manager. As such, he participated in the setting up of Compagnie Thermique du Gol in Reunion Island, and managed its power plant from 1994 to 1997. He also set up and managed a power plant in Vietnam before managing that of Compagnie Thermique du Moule between 2001 and 2004. He has managed the Belle Vue power plant since July 2012.

PATRICE GOUREL DE ST PERN (57)

Certificate in Management Development (RASITC)

After working at the St Antoine distillery between 1979 and 1981, Patrice Gourel de St Pern joined the Group in 1981 as Shift Supervisor at Grays Refinery Ltd. He was appointed Assistant Plant Manager in 1988 and Plant Manager in 1995. He is a member of the International Institute of Risk and Safety Managers and of the Association of Health and Safety Managers.

EDWIGE GUFFLET (47)

Maitrise es Sciences Economiques (France)
MBA (USA)

Edwige Gufflet started her career in the banking sector in 1993 and worked there until 1998. She then moved on to project management at CIEL Textile Ltd in 2003. The same year, she joined *L'Aventure du Sucre* as General Manager and was promoted Managing Director in December 2012.

NICOLAS EYNAUD (48)

National Diploma in Land Surveying (South Africa)

Nicolas Eynaud started his career in 1991 at SDDSR (Land Surveyors),where he became a partner in 1995. There, he was involved in an extensive range of projects for the island's major estates and corporate bodies, in the fields of building, engineering and cadastral surveying. In 2001 he joined Espral Limited, a service company providing full land management & commercial support to all land-based assets owned by the ENL Group. He was appointed General Manager of Espral in 2009, a position which he held until 2013. After spending some two years as Group Property Manager at Compagnie de Beau Vallon Limitée, Nicolas Eynaud joined the Group in January 2016 as Real-Estate Development Executive.

REYNOLDS LAGUETTE (63)

Member of the Institute of Engineering and Technology (UK), MBA (England)

Reynolds Laguette joined the Group in 1974 as Instrumentation Engineer at the Belle Vue sugar factory. He was appointed Factory Assistant in 1983, Plant and Operations Manager in 1993, Deputy Factory Manager in 2004 and Factory Manager in 2006. He is a member of the S*ociété de Technologie Agricole et Sucrière de Maurice* and of the International Society of Sugar Cane Technologists.

STEEVE LAREINE (51)

Fellow of the Association of Chartered Certified Accountants (UK)

Steeve Lareine has been a Fellow of the Association of Chartered Certified Accountants since 2004 and is a member of the Mauritius Institute of Professional Accountants. He started his professional career with De Chazal du Mée & Co, Chartered Accountants, in the Auditing and, subsequently, in the Consulting Department. Before joining the Group, he was employed as Divisional Accountant at Rey & Lenferna Ltd. Steeve Lareine is the Group Accountant and is also the Finance Manager of Terragen Ltd.

SÉBASTIEN MAMET (40)

Chartered Accountant (UK)

After working in the audit department of Ernst & Young in London and in Mauritius for eight years, Sébastien Mamet joined the Corporate Finance division of PricewaterhouseCoopers Mauritius in 2004. As Senior Manager of the division, he advised clients on *inter alia* mergers and acquisitions, business plans, finance raising and financial restructuring. He joined Harel Frères in 2009 to head its new strategic development function. As a member of the Management Committee, he advises on the Group's strategic orientation and is responsible for implementing new business developments.

NOUFAIL MANJOO (45)

Fellow Chartered Certified Accountant (UK)

Noufail Manjoo is a co-founder of AceTer Global Ltd. He is a specialist in company structuring and taxation. He started his career in 1991 and has acquired a wide range of experience in auditing, tax, management and financial accounting, and family office matters. He has managed various companies in the past including GE Capital (Mauritius) Ltd. He also serves as director in many offshore companies.

JOHN LAGUETTE (36)

BSc (Hons) in Business Information Technology (UK)
MSc in Internet & Database Systems from London South Bank University (UK)
MBA Université Paris 1 Panthéon-Sorbonne and Université Paris Dauphine (France), MBCS

Upon his return to Mauritius in 2003, John Laguette started his professional career as IT Coordinator for the Group. He joined La Sentinelle Ltée in 2004 to act in the capacity of Systems Administrator. He was recruited back by the Group in 2005 to serve as Group ICT Manager and was subsequently appointed Chief Information Officer in 2011. John Laguette is a professional member of the British Computer Society.

CHRISTOPHER PARK (33)

BCom HRM, Management and Business Law (Australia)
MCom Human Resources and Marketing (Australia)

Christopher Park has been working in the HR field for more than seven years. He started his career in Australia in 2006 where he worked for the country's largest human resource consulting and recruitment company, Chandler Macleod, as HR & Recruitment Consultant. Upon his return to Mauritius in 2009, he joined Adecco Mauritius as a Recruitment & HR consultant. He then joined Enterprise Information Solutions (part of the Cim Group) as their HR Manager in 2010. After one year, he was additionally offered the position of the group's Corporate HR Following an organisational restructuring exercise within the Rogers Group, he was employed by Rogers as Corporate HR Manager as from October 2012 until joining Terra as Group HR Manager in December 2013.

JEAN ARTHUR PILOT LAGESSE (55)

BSc Agriculture (RSA), MBA (UK)

Jean Arthur Pilot Lagesse started his career as Assistant Agronomist at Belle Vue Sugar Estate in 1983. He left for Constance-La Gaieté SE in 1986, where he was promoted to more senior positions until 1998 when he moved to Mon Trésor-Mon Désert SE as Field Manager, a position which he held until 2006. He then joined The Mount Sugar Estates Company Ltd as Managing Director and became part of the Group upon its amalgamation with The Mount on 1st January 2010. He was appointed General Manager (Sugar Operations) upon the retirement of Denis Pilot in June 2010, a position from which he resigned on 31 March 2016.

JOËL VILLENEUVE ANAUDIN (46)

Maîtrise es Sciences Economiques, spécialisation Marchés de capitaux et Risques financiers (France)
ACI Forex & Money Market Dealing Certification (UK)
Financial Technical Analysis Certification

Joël Villeneuve Anaudin started his career in banking treasury activities at BNP Paribas in 1996 where he served as Head of Sales-Corporate in the Offshore Treasury Business Unit. In 2001, he joined the CIEL group to set up the group corporate treasury unit. He then moved internally to Hedge Forex Ltd, a forex dealer. In 2008, he was appointed Head of Treasury at Bank One and in 2012 joined ABC Banking Corporation as Head of Treasury. Joël was instrumental in the development of Upstage, a business consultancy company offering trading and corporate treasury management advice, which was appointed by Terra to structure Terra Finance, a subsidiary which provides treasury management solutions and assistance to group companies. In March 2014, Joël joined the Group as Terra Finance's General Manager.

Corporate Governance report

Statement of compliance

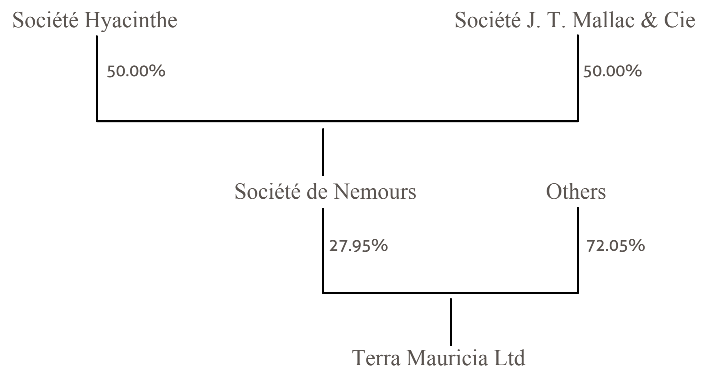
The Report on Corporate Governance for Mauritius, published in 2003, provides that all public interest entities must comply with the provisions of the Code of Corporate Governance (the Code).

The Board acknowledges that the Code sets out best practices and this Corporate Governance report details how the principles of the Code have been applied within the Group.

Except as specifically stated in this report, the Board considers that the Group has complied in all material respects with the provisions of the Code for the reporting year ended 31 December 2015.

Holding structure G4-7 G4-26

As at 31 December 2015, the holding structure of Terra Mauricia Ltd (Terra) was as follows:



Substantial shareholders

As at 30 April 2016, the following shareholders were directly or indirectly beneficially interested in 5% or more in the share capital of Terra:

	DIRECT	INDIRECT
Mallac Sim Armelle	0.69%	5.57%
Moulin Cassé Ltée	1.09%	9.51%
Société de Nemours	27.95%	-
Société Hyacinthe	-	13.98%
Société J.T. Mallac & Cie	1.09%	13.98%

It should be noted that Moulin Cassé Ltée holds its indirect interest through Société Hyacinthe, which is a member of Société de Nemours.

To date, no other entity or individual has reported an interest of 5% or more in the share capital of the company.

Common directors

A number of directors were, at 31 December 2015, common to Terra and the above-mentioned holding entities. The details are set out in the following table:

	DIRECTORS OF HOLDING ENTITIES		
DIRECTORS OF THE COMPANY	Société de Nemours	Société Hyacinthe	Société J.T. Mallac
Maurice de M. Enouf	x		x
Dominique de Froberville	x		x *
Alexis Harel	x	x	
Henri Harel	x	x	
Daniel Nairac	x *		
Alain Vallet	x	x *	

* : Chairman

Shareholders' agreement

Terra is not a party to any shareholders' agreement and, to the best of its knowledge, there is no shareholders' agreement between its direct shareholders.

Constitution G4-14

The constitution of Terra is in conformity with the provisions of the Companies Act 2001 and those of the Listing Rules of the Stock Exchange of Mauritius.

The salient features of the constitution:

- wide objects and powers conferred on the company
- absence of ownership restrictions or pre-emptive rights attached to shares issued by the company
- ability of the company to purchase its own shares, to reissue and to sell any of them
- retirement by rotation of three directors at every Annual Meeting
- procedure for proposing candidates for election to the office of director
- ability of shareholders to cast postal votes
- casting vote of the Chairman.

On 28 and 30 December 2011, applications under Section 178 of the Companies Act were lodged before the Bankruptcy Division of the Supreme Court by certain dissenting shareholders of Harel Frères Ltd (now Terragri Ltd), representing some 6.4% of the share capital, alleging that they had been unfairly prejudiced by the scheme of arrangement approved by a majority of shareholders on 23 November 2011 (the Scheme), and requesting the buyback of their shares at fair value or the payment of compensation of a sum in excess of MUR 64 per share held by them.

On the same day, in order to reassure the dissenting shareholders that their rights had not been affected by the Scheme, the Board of Terragri decided to amend the constitution of Terra, before the effective date of the Scheme, so that any matter that would have required the approval of the shareholders of Terragri would be submitted for the approval of those of Terra. Corresponding amendments were brought to the constitution of Terragri Ltd after the effective date of the Scheme.
The Board of Directors was advised that the above claim was misconceived. Counsel had further opined that the claim amounted to an abuse of the process of the court. The claim was resisted and the matter was heard on 25 May 2012. On 11 February 2014, a judgement was issued by the Supreme Court, dismissing the application with costs and confirming that the claim amounted to an abuse of the process of the court. Some of the dissenting shareholders gave notice of appeal, which is being resisted by the Group. The appeal was scheduled to be heard on 25 May 2015 but was postponed to 11 July 2016.

Board of directors

The Board as a whole is ultimately responsible and accountable for the affairs and overall performance of the Group. It must ensure that proper systems and controls are in place to protect the Group's assets and its good reputation. Having regard to recommendations made by Management, the Board makes strategic choices and identifies key risk areas, monitors and evaluates the implementation of policies and business plans, and approves the Company's capital expenditure, investments and operating budgets.

The roles of the Chairman and Managing Director are separate and each of them has clearly defined responsibilities. The Chairman's main role is to lead and manage the work of the Board and to ensure that it operates effectively. The Managing Director is responsible for the day-to-day management of the Group, leading the executive directors, preparing and submitting development strategies to the Board and making and implementing operational decisions.

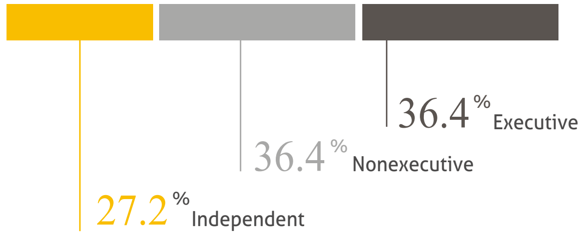
The Board of Terra met nine times during the year, including a special session dedicated to group strategy. The individual attendance of directors is set out on page 89.

Senior group executives are invited, when appropriate, to attend board meetings and make presentations on the strategies and projects of their business units. The profiles of the senior group executives are set out at page 82 and 83. Consultants are also invited to attend board meetings when necessary. During the year, representatives of the external auditors or consultants made presentations to the Board.

Other specific responsibilities are delegated to committees established by the Board, namely the Audit and Risk Committee, the Corporate Governance Committee, the Investment Committee and the Ethics Committee, which operate within clearly defined terms of reference and report regularly to the Board. Information on these committees is given below.

Board composition

In terms of the constitution, the Board of Terra consists of not more than eleven directors and its composition includes four nonexecutive directors, four executive directors and three independent nonexecutive directors.



Board composition (cont'd)

The following directors held office at 31 December 2015:

Daniel Nairac *(Chairman)*	Nonexecutive
Maurice de Marassé Enouf	Nonexecutive
Dominique de Froberville	Nonexecutive
Alexis Harel	Executive
Henri Harel	Executive
Hubert Harel	Nonexecutive
Cyril Mayer *(Managing Director)* (up to 31 December 2015)	Executive
François Montocchio	Independent nonexecutive
Nikhil Treebhoohun	Independent nonexecutive
Alain Vallet	Executive
Margaret Wong Ping Lun	Independent nonexecutive

The profiles of Board members who held office during the financial year under review, as well as the directorships held by them in listed companies, appear on pages 78 and 79.

At the Annual Meeting held in 2015, five directors retired from office, either by rotation or under Section 138 of the Companies Act. They were all eligible for re-election and were re-elected.

The Board is aware that the retirement of directors by rotation as provided for in the amended constitution is a departure from section 2.2.6 of the Code, which provides that each director should be elected (or re-elected as the case may be) every year at the Annual Meeting of shareholders.

While remaining committed to sustaining the highest standards of corporate governance, the Board is of the opinion that the standard provision of the Code is inappropriate in the circumstances of the Group, given its complexity and the diversity of its activities.

The Board believes that the tenure of office of directors should be of a sufficient duration to allow them, particularly independent directors and those who are members of the committees established by the Board, to be reasonably conversant with the intricacies of the Group's activities so as to exercise the degree of leadership, skill and judgement required to achieve a sustainable degree of prosperity.

Directors' interests in the share capital of Terra Mauricia Ltd

The directors' interests in the company's securities as at 31 December 2015 pursuant to the Listing Rules are as follows:

	ORDINARY SHARES							
	DIRECT				INDIRECT			
	SHARES	%	USUFRUCT	%	SHARES	%	USUFRUCT	%
DIRECTORS								
Maurice de M. Enouf	-	-	-	-	-	-	-	-
Nikhil Treebhoohun	-	-	-	-	-	-	-	-
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Alexis Harel	133	0.00%	-	-	17,183	0.01%	-	-
Henri Harel	413,666	0.18%	-	-	200	0.00%	-	-
Hubert J. Harel	75,000	0.03%	-	-	478,000	0.21%	-	-
Cyril Mayer	325,661	0.14%	-	-	1,139,173	0.50%	136,290	0.06%
François Montocchio	200	0.00%	-	-	2,345,364	1.03%	-	-
Daniel D. L. Nairac	-	-	-	-	-	-	-	-
Alain Vallet	262,490	0.12%	-	-	3	0.00%	1,135,710	0.50%
Margaret Wong Ping Lun	-	-	-	-	1,333	0.00%	-	-
Total	1,077,150	0.47%	-	-	3,981,522	1.75%	1,272,000	0.56%
Total issued shares	227,545,624							

None of the directors holds any interest in subsidiaries of the Company.

The directors abide by the principles enunciated in the Model Code on Securities Transactions by Directors, set out in Appendix 6 of the Mauritius Stock Exchange Listing Rules. During the year under review none of the directors bought or sold Terra shares.

Group company secretary

Directors have direct access to the advice and services of the Secretary, who is responsible for ensuring that Board procedures are followed. He also ensures that, within one month of their appointment, newly appointed directors are made aware of their fiduciary duties and responsibilities and prepares an induction programme tailored to their individual requirements, in order for them to be immediately familiar with the Group's operations, business environment and senior management.

Board Committees G4-16 G4-34

• Audit and Risk Committee G4-14

Members :

Margaret Wong Ping Lun	Chairperson
Maurice de Marassé Enouf	Member
François Montocchio	Member

The three members of the Audit and Risk Committee are non executive directors while the Chairperson and François Montocchio are also an independent directors.

The Committee operates under formal terms of reference modelled closely on the Code's provisions. It is primarily responsible for maintaining an appropriate relationship with the Group's external auditors, reviewing internal financial controls and the audit process. Its main objective is to provide the directors with additional assurance regarding the quality and reliability of financial information used by them and to assist them in properly discharging their duties. The Committee reviews the objectivity and independence of the external auditors and also considers the scope of their work and fees paid for audit and non-audit work. External and internal auditors have unrestricted access to the Committee. The Committee's terms of reference were enlarged in 2013 to encompass the responsibilities of the Group's risk management.

Contrary to the provisions of section 3.9.3 of the Code, the Group Managing Director is not a member of the Committee, on account of its dual function in respect of both audit and risk. However, he is invited to attend meetings devoted to risk matters.

No fees were paid either by Terra Mauricia Ltd or the Group to BDO & Co for non-audit services. The previous signing partner had been signing the Group accounts since 2009 and a change in partner therefore took place in 2015. The Board has decided to review the external audit arrangements for the year ending 31 December 2016 and has delegated the Audit and Risk Committee to handle a tender exercise and to make recommendations in that respect. After duly considering the offers and interviewing the representatives of four audit firms, the committee recommended to the Board the reappointment of BDO & Co as external auditors.

The Audit and Risk Committee met seven times in 2015 and satisfied its responsibilities for the year in compliance with its terms of reference. Except for the second meeting, where the audited financial statements were examined, the other meetings were devoted to internal audit reports, management letters, the annual report, the abridged quarterly financial statements, the risk register and audit planning. Individual attendance by directors is set out on page 89.

The Directors acknowledge the Board's ultimate responsibility for the risk management process. In order to enhance the existing oversight framework, in 2013 the Audit and Risk Committee had mandated the current internal auditors, EY, to set up a formalised risk management framework together with a risk register. The Risk Management Framework was presented to the Board on 30 September 2014 and a Group Risk Champion was designated on 25 February 2015 to maintain the risk register and report regularly to the Audit and Risk Committee thereon.

The formalised Risk Management Framework allows the Group to continuously monitor its risk environment and develop risk-mitigating strategies accordingly, as well as assist Management to better recognise the extent to which risks are properly being managed. The risk register is maintained on an on-going basis and provides detailed information on risks identified and mitigating controls. It is updated as and when necessary to capture any emerging risks.

The Risk Management Framework takes into consideration Management's self-evaluation of controls in place for risks identified and, where applicable, determines whether additional controls are required to better mitigate risks. Risks identified relate to the following areas:

> Cost competitiveness – Risks which might prevent the Company from remaining economically viable
> Stakeholder confidence – Risks which might prevent the firm from maintaining or building on strong relationships with stakeholders
> Customer reach – Risks which might prevent the Company from taking maximum advantage of market opportunities for its products and services
> Operational agility – Risks which might inhibit the Company from improving its ability to respond effectively in a quickly changing market.

Financial risks form part of the Risk Management Framework. These may be defined as the risk that cash flows and financial assets, if not managed cost-effectively, may affect the Group's ability to:

> maximise cash availability
> reduce any uncertainty around currency matters, interest rates, and credit and other financial assets
> move cash funds quickly and without loss of value to wherever they are most needed.

Taking into consideration the fact that 26% of Grays Inc. Ltd is owned by a strategic partner and the complexity of its activities, that company has a separate Audit and Risk Committee. This committee is at present under the chairmanship of Mr Nardus Oosthuizen, a representative of the strategic partner, with Mr George Schooling and Mr Maurice de Marassé Enouf as members. It reports to the Board of Grays. The minutes of its proceedings are circulated to Terra's Audit and Risk Committee and Board. The Grays Audit and Risk Committee met on two occasions during the year. The first meeting focused mainly on the audited financial statements, the management letter, internal audit planning and two internal audit reports. The second one reviewed another internal audit report and examined the planning for the completion of the Risk Management Framework for the Grays cluster.

Board Committees (cont'd)

• Corporate Governance Committee

Members :

Daniel Nairac	Chairman
François Montocchio	Member
Margaret Wong Ping Lun	Member
Cyril Mayer (up to 31 December 2015)	(In attendance)
Nicolas Maigrot (as from 03 February 2016)	(In attendance)

The three members of this Committee are nonexecutive directors and two of them are also independent directors.

The Committee's functions are threefold:

- In its role as Remuneration Committee, its terms of reference include *inter alia* the development of group general policy on executive and senior management remuneration as well as the determination of both specific remuneration packages and performance measurement criteria for executive directors. It also makes recommendations concerning the level of directors' fees.
- In its role as Nomination Committee, it regularly reviews Board structure, size and composition and makes recommendations to the Board on Board appointments.
- The Committee has the further responsibility of implementing the Code throughout the Group and of ensuring that the reporting requirements on corporate governance are made in accordance with the principles enunciated in it.

The Corporate Governance Committee met six times during the year and the attendance of individual directors at these meetings is detailed in the table set out on page 89. Apart from the third meeting, which was mainly devoted to nomination issues, the preparation of shareholders' meetings and the annual report, the other ones focused essentially on succession planning, Board evaluation, sustainability reporting and remuneration issues.

Upon the recommendation of the Corporate Governance Committee, the Directors and Officers Liability insurance policy was renewed during the year.

A Board evaluation exercise was conducted during the last quarter of 2015 and the report subsequently presented to the Board in March 2016. The report has shown mainly that the Board functioned quite well but that there was some room for improvement in the functioning of Board committees and their reporting to the Board, as well as in the monitoring tools given to the Board.

• Investment Committee

The aim of the Investment Committee is to assist the Board in discharging its duties relating to strategic investment or disinvestment decisions. The Committee therefore reviews, approves and recommends to the Board investment or disinvestment choices based on advice provided by the management team. It has neither managerial nor decisional powers.

The Committee consists of a minimum of three and a maximum of six directors appointed by the Board, at least half of whom should be non executive directors and preferably independent. The Board appoints a chairman from amongst the nonexecutive members of the Committee.

The members of the Investment Committee are:

Daniel Nairac	Chairman
Dominique de Froberville	Member
Cyril Mayer (up to 31 December 2015)	Member
Nicolas Maigrot (as from 03 February 2016)	Member
Henri Harel	Member
Alexis Harel	Member
Nikhil Treebhoohun	Member
(Sébastien Mamet)	(In attendance)

The Investment Committee met three times in 2015 and made recommendations to the Board in respect of investment policy and on some specific projects, such as the investments made in Payment Express Ltd and Inside Capital Partners. The attendance of individual directors at these meetings is detailed in the table on page 89.

Since early 2016, the Committee is called "Strategy and Investment Committee" and operates with revised terms of reference which emphasise the Committee's strategy follow-up responsibilities. It is intended that the Committee will meet on a quarterly basis.

• Ethics Committee G4-56 G4-DMA G4-SO4

The Group is fully committed to its Code of Ethics covering ethical standards and inspired by the code of ethics issued by the Mauritius Employers' Federation and the Model Code of Conduct for directors and employees of private-sector companies issued by the Joint Economic Council. The Group's Code of Ethics is monitored by the Ethics Committee, which has the mandate to receive and deal with any complaint relating to the Code and to ensure that it is regularly updated.

The members of the Ethics Committee are:

Daniel Nairac	Chairman
Maurice de Marassé Enouf	Member
Christopher Park	Member
Nikhil Treebhoohun	Member
Louis Denis Koenig	Member
Gilbert Bouic (Group Ethics Officer)	(In attendance)

Board Committees (cont'd)

Ethics Committee (cont'd)

The Group's new Code of Ethics, which includes a whistle-blowing policy monitored by Transparency Mauritius, was officially launched in 2014. All Board members, senior executives, staff and employees were invited to renew their commitment to abide by the Code. The Group Ethics Officer, Gilbert Bouic, continued to devote time to encouraging the Group's stakeholders, such as contractors and suppliers, to follow the Code so as to ensure its successful implementation. He also conducted an internal survey to evaluate the impact of the Code on employees. The results of the survey were subsequently presented to the Board in March 2016 and demonstrated generally a quite positive impact on and response from employees.

The Committee met twice in 2015 to receive the reports of the Ethics Officer on its activities and of Transparency Mauritius on the whistle-blowing cases. Five cases were referred to and dealt with by the Committee in 2015. The attendance of individual directors at meetings is detailed in the table below.

Board and Committee attendance

Directors are expected to attend, in person or by teleconference, all Board meetings and all Board Committee meetings of which they are a member, except in exceptional circumstances. Board meeting dates are generally set well in advance to enable directors to manage their other commitments.

The attendance of directors at Board and Committee meetings in 2015, as well as at the Annual Meeting of shareholders, is set out below.

	Board	**Corporate Governance**	**Audit and Risk**	**Investment**	**Ethics**	**Annual Meeting of shareholders held on June 30, 2015**
No. of meetings	**9**	**6**	**7**	**3**	**2**	
DIRECTORS						
Maurice de M. Enouf	9/9	-	7/7	-	2/2	Yes
Dominique de Froberville	9/9	-	-	3/3	-	Yes
Alexis Harel	9/9	-	-	3/3	-	No
Henri Harel	9/9	-	-	2/3	-	Yes
Hubert Harel	8/9	-	-	-	-	Yes
Cyril Mayer	9/9	6/6	-	3/3	-	Yes
François Montocchio	8/9	6/6	6/7	-	-	Yes
Daniel Nairac	9/9	6/6	-	3/3	2/2	Yes
Nikhil Treebhoohun	9/9	-	-	3/3	2/2	Yes
Alain Vallet	9/9	-	-	-	-	No
Margaret Wong Ping Lun	9/9	6/6	7/7	-	-	Yes

Internal controls

The Board has overall responsibility for the system of internal control. A sound system of internal control is designed to manage the risk of failing to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control put in place by Management to respond to the above includes:

- Maintaining proper accounting records to ensure effective operation of the Group's business and compliance
- Implementing the strategies and policies adopted by the Board, and managing all of the Group's activities, including the operation of the internal control system.

The Board has also established key processes for monitoring the system of internal control as follows:

- A detailed organisational structure has been established, including the delegation of appropriate responsibilities from the Board to Board Committees, the Group Managing Director, members of Senior Management and heads of operating units
- The effectiveness of internal controls is continually assessed by the Board when it considers the recommendations of the Audit and Risk Committee, reports of the internal auditors and feedback from Management and the external auditors
- A proper Enterprise Resource Planning system is in place to provide financial and operational performance data for management accounting purposes
- A review of accounting information takes place on a regular basis at Audit and Risk Committee and Board level and remedial action is taken promptly as necessary
- A Code of Ethics to govern staff conduct, setting out the standards of integrity and professionalism required within the Group, was adopted in July 2005 and is monitored by the Ethics Committee. The code was reviewed in 2013 and a new version launched in 2014.
- Management has put in place appropriate operational and compliance controls in all operating units.

Internal audit

• Mission and scope of work

The mission of Internal Audit is to provide independent and objective assurance services designed to enhance the Company operations.

The scope of the internal audit function is to assist the Board and Management maintain and improve the process by which risks are identified and managed, and to help the Board discharge its responsibilities and maintain and strengthen the internal control framework.

Except for Grays which has its own in-house internal auditor and Terrarock, the internal audit function of the Group is performed by EY.

• Reporting

The internal auditors have a direct reporting line to the Audit and Risk Committee and maintain an open and constructive communication channel with the executive management team. They also have direct access to the chairpersons of Committees and the Board. This reporting structure allows the internal auditors to remain independent and to report all items of significance to the Board and the Audit and Risk Committee.

• Internal audit coverage

The internal audit plan, which is approved by the Audit and Risk Committee, is based on the principles of risk management that relate coverage and effort to the degree of risk ascribed to the areas audited.

The internal auditors performed five audit visits during the 2015 financial year. Visits performed were in line with the audit plan agreed with the Audit and Risk Committee. Proposed recommendations in respect of issues identified were discussed with Management and the final internal audit reports were submitted to the Audit and Risk Committee. The internal auditors also monitored progress in respect of the implementation of previous recommendations. The internal auditors had unrestricted access to the Group's records, management and employees.

A first group business risk assessment was performed in October 2005 and the outcome was used as a basis for planning the internal audits performed by EY from 2006 to 2011. A second business risk assessment was performed by EY in May and June 2012 to assess:

- The change in the risk environment since the October 2005 risk assessment
- The impact of these changes on the Group's risk profile
- The current state of the Group's risk environment.

Internal audit (cont'd)

Internal audit coverage (cont'd)

The results of this assessment were used by EY to plan internal audit visits for the period of the three-year plan (2013-2015) based on the risk areas identified under the following categories:

Environment and strategy risks
These arise when there are environmental forces that could either put a company out of business or significantly change the fundamentals that drive its overall objectives and strategies.

The assessment of the environment and strategy risks also includes:

- Regulatory risks:
  Changes in regulations and actions by the local regulators can result in increased competitive pressures and significantly affect a company's ability to conduct business efficiently.
- Industry risks:
  The industry's attractiveness may change as a result of:
  - › key factors for competitive success within the industry, including significant opportunities and threats
  - › capabilities of existing and potential competitors
  - › group strengths and weaknesses relative to present and future competitors.
- Operational risks:
  Operational risks are those of loss resulting from inadequate or failed internal processes and procedures, human error or system failure. They also include legal risks.

Human resource risks
The personnel responsible for managing and controlling the organisation or a business process may not possess the requisite knowledge, skills and experience needed to ensure that critical business objectives are achieved and that significant business risks are reduced to an acceptable level.

Information Technology (IT) risks
Aspects of the IT systems used in the Group's businesses may not be operating as intended, thereby compromising the integrity and reliability of data and information and exposing significant assets to potential loss or misuse, or exposing the Group's ability to sustain the operation of critical processes.

Following the second risk assessment exercise, a Risk Management Framework was designed, enabling the monitoring of the risks identified in each of the above areas. The Risk Management Framework includes the compilation of strategic and operational risk registers which detail risks identified and corresponding management action being taken to address the risk areas. The Group has nominated a Risk Champion, responsible for the regular follow-up and reporting on the risk registers to the Audit and Risk Committee.

Dividend policy

The Board has no formal dividend policy.

However, having regard *inter alia* to Group performance, capital expenditure, debt servicing requirements and investment needs, as well as any uncertainties facing the Group, the Board aims to distribute a yearly dividend that is considered sustainable in the medium to long-term, under normal circumstances.

Remuneration policy

All Board directors are remunerated according to a fixed fee, as well as an additional fee for each Board meeting attended. The Chairman is remunerated in a similar manner but at a higher rate. The remuneration is submitted to the Annual Meeting for approval.

In addition, Board Committee members receive fees for attending committee meetings, with chairpersons remunerated at a higher rate. Committee fees are approved by the Board.

As regards executive directors, the remuneration policy aims to:

- align executive remuneration with the Group's business objectives and shareholder value
- attract, retain and motivate high-calibre executives capable of achieving the Group's objectives
- motivate executives to achieve ambitious performance levels
- recognise both corporate and individual performance.

The overall remuneration of executive directors includes a basic salary, pension and other benefits, and a non-pensionable annual performance bonus, in addition to Board remuneration described above. The proportion of variable pay to fixed pay is significant and aims at better aligning the interests of these directors with those of the Group and providing an added incentive to respond to the challenges the Group faces.

The Corporate Governance Committee has retained outside consultants to provide independent market information and advice relating to the regular review of executive performance and remuneration. This is in line with the remuneration policy objectives.

Remuneration of directors

Directors' remuneration for the year ended 31 December 2015 is set out below.

	Remuneration from Terra Mauricia Ltd MUR '000		Remuneration from subsidiaries MUR '000		Remuneration from companies on which director serves as representative of the group MUR '000	
DIRECTORS	2014	**2015**	2014	**2015**	2014	**2015**
Maurice de Marassé Enouf	545	**660**	345	**320**	-	**-**
Dominique de Froberville	430	**585**	90	**90**	-	**-**
Alexis Harel	665	**659**	5,486	**5,754**	234	**168**
Henri Harel	420	**435**	5,886	**7,474**	267	**344**
Hubert Harel	420	**495**	-	**-**	-	**-**
Cyril Mayer	420	**435**	16,660	**23,440**	608	**418**
François Montocchio	695	**795**	-	**-**	-	**-**
Daniel Nairac	1,360	**1,430**	-	**-**	-	**-**
Nikhil Treebhoohun	250	**560**	-	**-**	-	**-**
Alain Vallet	665	**659**	6,564	**6,274**	194	**120**
Margaret Wong Ping Lun	855	**940**	-	**-**	-	**-**

The remuneration received by directors from Terra Mauricia Ltd varied according to the number of meetings held and attended in 2015 and the number of committees on which they sat. Regarding executive directors, their remuneration varies according to Group or company results.

Shareholders' relations and communication G4-26

The Group understands the importance of communicating with its shareholders and ensures that they are kept informed on matters affecting Terra. Communication is via the Annual Report, circulars issued in compliance with the Listing Rules of the Stock Exchange of Mauritius, press announcements, the publication of Group unaudited quarterly and audited abridged financial statements, dividend declarations and the Annual Meeting, to which all shareholders are invited.

Moreover, all directors are invited and encouraged to attend the Annual Meeting and to be available to answer shareholders' questions. As in 2014, 9 of the 11 directors attended the meeting in 2015. Since 2003, it has been the practice to allow for the postal vote of shareholders at the Annual Meeting. Immediately after the Annual Meeting, the main institutional investors and investment managers are invited to attend a presentation on the Annual Report and to put questions to Management. This exercise has taken place for a number of years and is well attended and welcomed by the investing community. As in 2014, journalists appreciated the opportunity to again attend a press briefing in 2015.

Share option plan

The group has no share option plan.

Share information

Information relating to share distribution and Stock Exchange performance is set out on pages 10 to 15. Dates of important events are also noted.

Related party transactions

Related party transactions are disclosed in aggregate in Note 39 to the Financial Statements.

However, during the year, there were no material transactions between the company or any of its subsidiaries or associates and a director, chief executive, controlling shareholder or companies owned or controlled by a director, chief executive or controlling shareholder.

Management agreements

Except for the management contract between Ivoirel Limitée and Sucrivoire, there are no management agreements with third parties to which the company or a subsidiary is a party.

Health and safety G4-DMA

Terra continues its commitment to providing a healthy and safe working environment for all its employees, sub-contractors and visitors. The Group has a continual improvement approach to health and safety at work, which remains a priority aspect of the Group's Human Resource strategy.

Accident statistics show that there was an increase in minor accident occurrences in 2015 compared to 2014 of 9% and 2% for Terra Milling and Terragri respectively. More regular safety inspections are planned, as well as pro-active measures to reduce accidents at work. In 2016, an additional person will be assisting the Group's Health & Safety Officer in identifying the causes of these minor accidents and working on ways to reduce them significantly.

We reported only one notifiable accident under the Occupational Safety & Health Act 2005 for Terragri (Construction Department). It should be noted that the latter was a road accident, which took place outside our factory area. No notifiable accident was reported for Terra Milling. During the period from 2010 to 2015, there were no industrial court cases against Terragri or Terra Milling with regard to health and safety compliance and accidents at work.

In 2015, a budget of around MUR 2.0 million has been spent on improvements to health and safety at Terra Milling and the Garage Department of Terragri. An overhead travelling crane was introduced at Terragri for the safe maintenance of harvesters and the electrical installations at the Mount workshop were thoroughly reviewed. For Terra Milling, specialised training sessions were conducted by an expert from France for the team involved in working with ropes at height. In addition, more appropriate equipment as per norms was provided for these employees. Many working platforms were erected to enhance safety during maintenance operations and hose reels were installed at the cane platform for rapid intervention in the event of any fire outbreak. Terra Milling is in the process of implementing OHSAS 18001:2007, with the objective of completing this project by the end of 2016.

Continued efforts were made to comply strictly with health and safety regulations, including obtaining fire certificates for the bottling plant, administration block and Grays' new excise store. A fire certificate was also obtained for the conference room at Belle Vue.

In line with the Group Human Resource Strategy, occupational health and safety training sessions were organised throughout the Group at the beginning of the year on Electrical Safety and Health & Safety Management, as well as refresher courses on Managing Safely, Scaffold Safety, Road Safety and Working at Heights.

For its part, Terragen continued to improve the quality of its safety and working environment (QSE) through its Integrated Management System. With the full involvement of staff, the power plant successfully underwent an AFNOR QSE surveillance audit in November 2015 without registering any non-conformity. With its well-established management programme, Terragen continued to ensure that action was completed as planned and the relevant rules and regulations followed. In addition, regular briefings, awareness and trainings sessions were given to its own employees as well as to employees of external providers. These had a positive impact in reducing the frequency of occupational accidents and their severity. Terragen's leadership and personnel teams demonstrated considerable commitment to this, the keystone to keeping its Integrated Management System updated and working efficiently.

Environment

The Group's environmental performance is detailed on pages 70 to 75 of this report and Terra's industrial ecosystem chart can be found on page 27.

The Group is also sensitive to the promotion and awareness of sound environmental practice and decided, for example, to use recycled paper for its Annual Report. At the end of this Annual Report, there is a list of frequently asked questions explaining the benefits of using recycled paper. Furthermore, the Board decided in 2015 to seek shareholders' consent to receive the Annual Report in electronic format, in line with the Practice Directions issued by the Registrar of Companies on 30 May 2014 and 26 February 2015. To date, some 32% of shareholders has agreed to this.

Donations

Political and other donations made during the year, are shown on page 100.

Corporate social responsibility

The Group's policies and practices in relation to social responsibility are detailed in the Terra Foundation section of this report, on pages 58 to 61.

For Terra Services Ltd
Secretary
11 May 2016

OUR VALUES

Secretary's certificate

(pursuant to Section 166(d) of the Companies Act 2001)

We certify that, to the best of our knowledge and belief, Terra Mauricia Ltd has filed with the Registrar of Companies all such returns as are required under the Companies Act 2001.

Terra Services Ltd
Secretary
30 March 2016

Statement of compliance

(pursuant to Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity (PIE): Terra Mauricia Ltd

Reporting period: 31 December 2015

We, the directors of Terra Mauricia Ltd, confirm that, to the best of our knowledge, the PIE has not complied with Sections 2.2.6 and 3.9.3 of the Code of Corporate Governance. Reasons for non-compliance are given on pages 86 and 87 of the Corporate Governance report.

Daniel Nairac
Chairman

Nicolas Maigrot
Managing Director

11 May 2016

Corporate information

G4-5 G4-6

Registered Office

18 Edith Cavell Street, P.O. Box 317
Port-Louis 11302 – Republic of Mauritius
Telephone: (230) 208 0808
Telefax: (230) 211 1836
E-mail: terra@terra.co.mu
Website: www.terra.co.mu

Secretary

Terra Services Ltd
18 Edith Cavell Street, P.O. Box 317
Port-Louis 11302 – Republic of Mauritius
Telephone: (230) 208 0808
Telefax: (230) 211 1836
E-mail: terra@terra.co.mu

Auditors

BDO & Co
(Chartered Accountants)

Main Bankers

The Mauritius Commercial Bank Limited
The State Bank of Mauritius Limited
Barclays Bank Mauritius Limited
AfrAsia Bank Limited
Banque des Mascareignes Ltée

Cane

Terragri Ltd / Terra Milling Ltd
Belle Vue Mauricia
Mapou 31806 – Republic of Mauritius
Telephone: (230) 266 8485
Telefax: (230) 266 1985
E-mail: terragri@terra.co.mu /
terramilling@terra.co.mu

Power

Terragen Ltd
Belle Vue Mauricia
Mapou 31806 – Republic of Mauritius
Telephone: (230) 266 1226
Telefax: (230) 266 8013
E-mail: terragen@terragen.mu

Terragen Management Ltd
18 Edith Cavell Street
Port-Louis 11302 – Republic of Mauritius
Telephone: (230) 208 0808
Telefax: (230) 211 1836
E-mail: terragen@terragen.mu

Brands

Grays Inc. Ltd
Beau Plan, Pamplemousses 21001
Republic of Mauritius
Telephone: (230) 209 3000
Telefax: (230) 243 3664
E-mail: grays@grays.mu

Grays Distilling Ltd
Beau Plan, Pamplemousses 21001
Republic of Mauritius
Telephone: (230) 243 3734
Telefax: (230) 243 3733
E-mail: distilling@grays.mu

Property Management

Sagiterra Ltd
4th Floor, Ken Lee Building
Cnr Edith Cavell and Brown Sequard Streets
Port-Louis 11302 – Republic of Mauritius
Telephone: (230) 211 0971
Telefax: (230) 211 0484
E-mail: sagiterra@sagiterra.mu

Stone Crushing and Block Making

Terrarock Ltd
Royal Road, Fond du Sac 20601
Republic of Mauritius
Telephone: (230) 266 1355
Telefax: (230) 266 9045
E-mail: proban@intnet.mu

Corporate Social Responsibility

Terra Foundation
18 Edith Cavell Street, P.O. Box 317
Port-Louis 11302 – Republic of Mauritius
Telephone: (230) 208 0808
Telefax: (230) 211 1836
E-mail: foundation@terra.co.mu

Leisure

Sugarworld Ltd – L'Aventure du Sucre
Beau Plan, Pamplemousses 21001
Republic of Mauritius
Telephone: (230) 243 7900
Telefax: (230) 243 9699
E-mail: aventure.sucre@intnet.mu
Website: www.aventuredusucre.com

Offshore Management

AceTer Global Ltd
4th Floor, Ken Lee Building
Cnr Edith Cavell and Brown Sequard Streets
Port-Louis 11302 – Republic of Mauritius
Telephone: (230) 208 0808
Telefax: (230) 212 8012
E-mail: services@aceterglobal.com
Website: www.aceterglobal.com

Finance

Terra Finance Ltd
Ground Floor, Ken Lee Building
Cnr Edith Cavell and Brown Sequard Streets
Port-Louis 11302 – Republic of Mauritius
Telephone: (230) 208 0808
E-mail: terrafinance@terra.co.mu

Statement of directors' responsibilities in respect of financial statements

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and estimates and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financing Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented. The report of the external auditors on the financial statements is on page 102.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The directors report that adequate accounting records and an effective system of internal controls and risk management have been maintained.

Signed on behalf of the Board of directors by

Daniel Nairac
Chairman

Nicolas Maigrot
Managing Director

11 May 2016

Statutory disclosures

(pursuant to Section 221 of the Companies Act 2001 and the Securities Act 2005)

Directors

Names

The names of the directors of Terra Mauricia Ltd at 31 December 2015 are given on page 86 of this report. In addition, a list of directors of subsidiary companies at the same date appears on page 175.

Service contracts

Four executive directors, namely Messrs Nicolas Maigrot, Alexis Harel, Henri Harel and Alain Vallet have at present service contracts without expiry dates with group companies. Mr Cyril Mayer has retired from the Board on 31 December 2015 and benefited, as executive, of a pre-retirement leave up to 31 March 2016. Other than for the above-mentioned executive directors, none of the directors proposed for election or re-election at the forthcoming Annual Meeting of shareholders have service contracts with the Company or the Group.

Remuneration and benefits

	THE COMPANY		**SUBSIDIARIES**	
	2015 MUR'M	2014 MUR'M	**2015 MUR'M**	2014 MUR'M
Emoluments paid by the Company and its subsidiaries to:				
- Directors of Terra Mauricia Ltd:				
• Executive				
Full-time	**0.9**	0.8	**30.9**	22.5
Part-time	**1.3**	1.3	**12.0**	12.1
• Nonexecutive	**5.5**	4.9	**0.3**	0.4
	7.7	6.6	**43.2**	35.0

Directors of subsidiary companies (other than those of Terra Mauricia Ltd):

	2015 MUR'M	2014 MUR'M
• 10 Executive (9 in 2014)		
Full-time	**48.2**	36.6
• 16 Nonexecutive (18 in 2014)	**0.6**	0.6
	48.8	37.3

Contracts of significance

During the year under review, there were no contracts of significance to which Terra Mauricia Ltd, or one of its subsidiaries, was a party and in which a director of Terra Mauricia Ltd was materially interested, either directly or indirectly.

Auditors' remuneration

	THE GROUP		**THE COMPANY**	
	2015 MUR'M	2014 MUR'M	**2015 MUR'M**	2014 MUR'M
Audit fees paid to:				
• BDO & Co	**3.4**	3.4	**0.8**	0.6

The auditors did not receive any fees for other services.

Statutory disclosures (cont'd)

(pursuant to Section 221 of the Companies Act 2001 and the Securities Act 2005)

Donations

	THE GROUP	
	2015 MUR'M	2014 MUR'M
Contributions towards Corporate Social Responsibility	**7.4**	6.9
Number of projects funded: 50. (2013: 51)		
Political	**0.3**	5.9

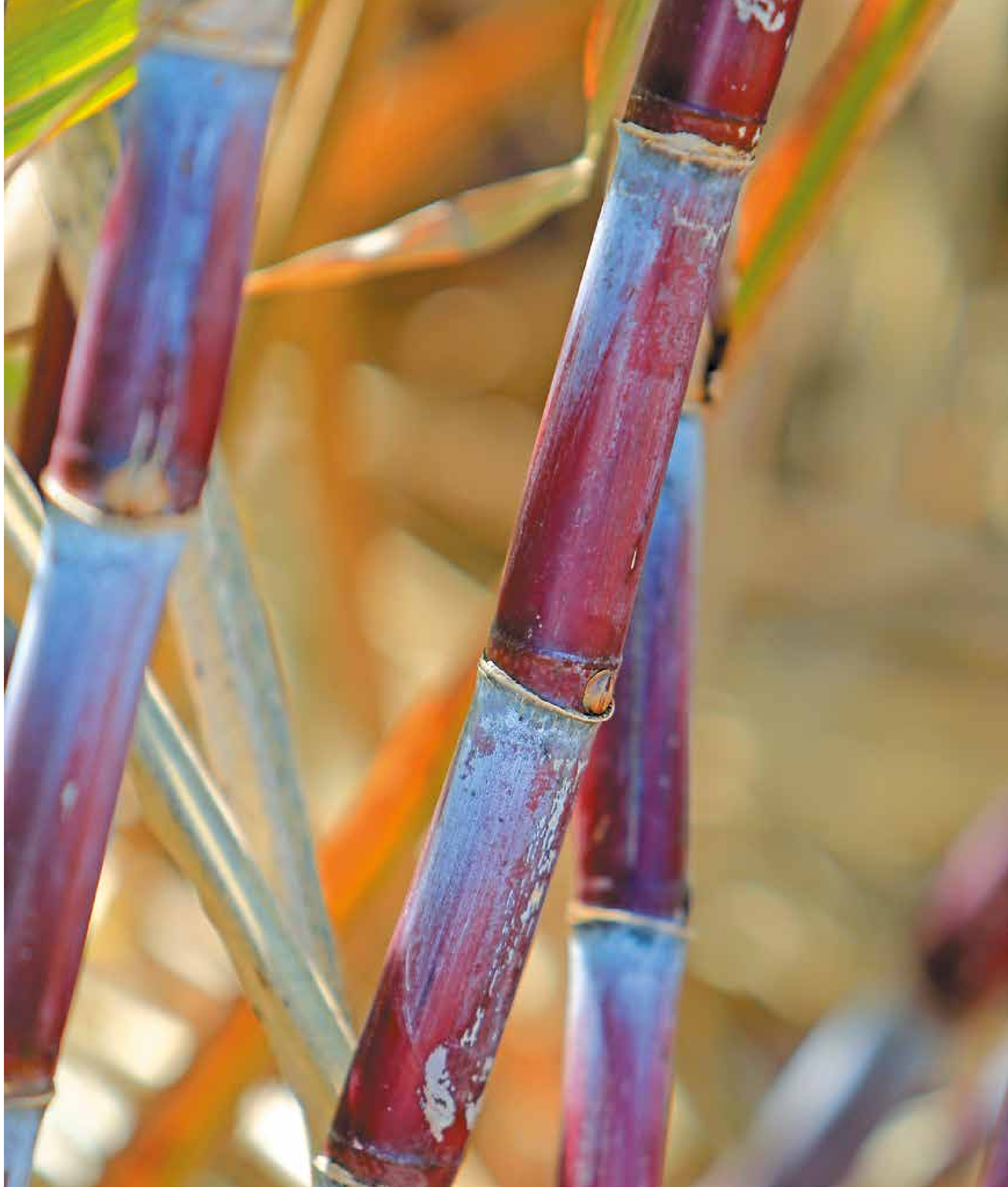
Senior officers' interests

The Group's senior officers' interests in the company as declared under the Securities Act 2005 as at 31 December 2015 were as follows:

	ORDINARY SHARES							
	DIRECT				INDIRECT			
	Beneficial	%	Non-beneficial	%	Beneficial	%	Non-beneficial	%
SENIOR OFFICERS OF THE COMPANY								
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Alexis Harel	133	0.00%	-	-	17,183	0.01%	-	-
Henri Harel	413,666	0.18%	-	-	436,310	0.19%	4,541,285	2.00%
Cyril Mayer	325,661	0.14%	-	-	976,347	0.43%	-	-
François Montocchio	200	0.00%	-	-	-	-	2,345,364	1.03%
Alain Vallet	262,490	0.12%	-	-	227,143	0.10%	-	-
Hubert Harel	75,000	0.03%	-	-	-	-	156,000	0.07%
Jean Marc Jauffret	1,000	0.00%	-	-	-	-	-	-
Bernard Desvaux de Marigny	1,925	0.00%	-	-	-	-	-	-
Sébastien Mamet	300	0.00%	-	-	-	-	-	-
Noufail Manjoo	235	0.00%	-	-	-	-	-	-
Christopher Park	2,300	0.00%	-	-	-	-	-	-
	1,082,910	0.48%	-	-	-	-	-	-

Total issued shares 227,545,624

The above mentioned senior officers have not declared any interest in the subsidiaries.



Independent Auditors' Report to the members

This report is made solely to the members of Terra Mauricia Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the group financial statements of Terra Mauricia Ltd and its subsidiaries (the "Group") and the Company's separate financial statements on pages 103 to 174 which comprise the statements of financial position at December 31, 2015, statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements
The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements on pages 103 to 174 give a true and fair view of the financial position of the Group and of the Company as at December 31, 2015, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001
We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004
The Directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

BDO & Co
Chartered Accountants

A. Ebrahim

Afsar Ebrahim, F.C.A
Licensed by FRC

Port-Louis, Mauritius.
30 March 2016

STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, G4-9

		THE GROUP		THE COMPANY	
	Notes	**2015**	2014	**2015**	2014
ASSETS		**MUR'M**	MUR'M	**MUR'M**	MUR'MT
Non-current assets					
Property, plant and equipment	5	**14,388.0**	14,397.0	-	-
Investment properties	6	**214.6**	221.1	-	-
Intangible assets	7	**387.3**	382.1	-	-
Investment in subsidiaries	8	-	-	**12,966.5**	12,424.8
Investment in associates	9	**2,944.1**	2,252.8	**1,426.6**	973.0
Investment in financial assets	10	**409.4**	532.5	**427.8**	547.1
Non-current receivables	11	**127.6**	6.5	**11.4**	-
Bearer biological assets	12	**305.1**	303.6	-	-
Land development expenditure	13	**77.9**	68.7	-	-
Deferred VRS costs	14	-	23.1	-	-
Deferred tax assets	15	**118.0**	36.3	-	-
		18,972.0	18,223.7	**14,832.3**	13,944.9
Current assets					
Inventories	16	**748.1**	662.0	-	-
Consumable biological assets	17	**204.1**	153.6	-	-
Trade and other receivables	18	**1,312.8**	1,163.8	**41.5**	42.0
Derivative financial instruments	19	**3.1**	0.8	-	-
Cash and cash equivalents	34	**133.0**	115.2	**4.6**	10.8
		2,401.1	2,095.4	**46.1**	52.8
Non-current assets classified as held for sale	20	**115.9**	146.3	-	-
Total assets		**21,489.0**	20,465.4	**14,878.4**	13,997.7
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	21	**11,976.0**	11,976.0	**11,976.0**	11,976.0
Revaluation and other reserves	22	**3,873.0**	3,926.4	**631.3**	(43.7)
Retained earnings		**1,006.1**	599.5	**1,914.7**	1,839.2
Owners' interest		**16,855.1**	16,501.9	**14,522.0**	13,771.5
Non-controlling interests		**975.1**	957.5	-	-
Total equity		17,830.2	17,459.4	**14,522.0**	13,771.5
Non-current liabilities					
Borrowings	23	**424.0**	411.2	-	-
Deferred tax liabilities	15	**272.9**	214.4	-	-
Deferred income	24	-	2.1	-	-
Retirement benefit obligations	25	**584.8**	490.1	-	-
		1,281.7	1,117.8	-	-
Current liabilities					
Trade and other payables	26	**792.8**	675.4	**25.1**	19.5
Current tax liabilities	27	**28.8**	17.6	**0.3**	0.1
Borrowings	23	**1,553.6**	1,188.8	**331.0**	206.6
		2,375.2	1,881.8	**356.4**	226.2
Liabilities directly associated with non-current assets classified as held for sale	20(b)	1.9	6.4	-	-
Total liabilities		**3,658.8**	3,006.0	**356.4**	226.2
Total equity and liabilities		**21,489.0**	20,465.4	**14,878.4**	13,997.7

These financial statements have been approved for issue by the Board of Directors on 30 March 2016.

Mr Daniel L. Nairac
Chairman

Mrs Margaret Wong Ping Lun
Director

The notes on pages 110 to 174 form an integral part of these financial statements.
Auditors' report on page 102.

STATEMENTS OF PROFIT OR LOSS - YEAR ENDED DECEMBER 31, 2015 G4-9

		THE GROUP		THE COMPANY	
	Notes	**2015 MUR'M**	2014 MUR'M	**2015 MUR'M**	2014 MUR'M
Revenue	2.26, 41(c)	**4,282.7**	3,905.4	**301.8**	249.9
Compensation from the Sugar Insurance Fund Board	42	**99.9**	100.6	**-**	-
Gains/(losses) arising from changes in fair value of consumable biological assets	17	**50.5**	(103.7)	**-**	-
		4,433.1	3,902.3	**301.8**	249.9
Cost of sales		**(3,332.6)**	(3,121.9)	**-**	-
Gross profit		**1,100.5**	780.4	**301.8**	249.9
Other income/(costs)	28	**189.6**	120.6	**(2.9)**	9.4
Administrative expenses		**(408.8)**	(393.3)	**(17.8)**	(18.1)
Distribution costs		**(124.4)**	(105.5)	**-**	-
Other expenses		**(353.4)**	(332.0)	**-**	-
Profit before finance costs	29	**403.5**	70.2	**281.1**	241.2
Finance costs	31	**(72.5)**	(66.8)	**(11.9)**	(12.3)
Share of results of associates	9	**287.0**	296.5	**-**	-
Reversal of impairment of associate	9	**166.1**	166.3	**-**	-
Profit before taxation		**784.1**	466.2	**269.2**	228.9
Taxation	27	**(57.7)**	(34.0)	**(0.3)**	-
Profit for the year		**726.4**	432.2	**268.9**	228.9
Profit attributable to:					
Owners of the parent		**597.1**	317.3	**268.9**	228.9
Non-controlling interests		**129.3**	114.9	**-**	-
		726.4	432.2	**268.9**	228.9
Earnings per share (MUR)	32	**2.62**	1.39	**1.18**	1.01

The notes on pages 110 to 174 form an integral part of these financial statements.
Auditors' report on page 102.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED DECEMBER 31, 2015

	THE GROUP		THE COMPANY	
	2015 MUR'M	2014 MUR'M	**2015 MUR'M**	2014 MUR'M
Profit for the year	**726.4**	432.2	**268.9**	228.9
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurements of post employment benefit obligations	**(99.6)**	12.3	**-**	-
Deferred tax on remeasurements of post employment benefit obligations	**14.9**	(1.8)	**-**	-
Share of other comprehensive income of associates	**91.2**	(7.1)	**-**	-
Scrappings of revalued property, plant and equipment	**(0.3)**	(0.7)	**-**	-
Items that may be reclassified subsequently to profit or loss:				
(Decrease)/increase in fair value of investments	**(43.5)**	(5.9)	**675.0**	437.0
Fair value movement on disposal of financial assets	**-**	1.1	**-**	1.1
Translation reserve movement	**(13.2)**	20.6	**-**	-
Other comprehensive income for the year	**(50.5)**	18.5	**675.0**	438.1
Total comprehensive income for the year	**675.9**	450.7	**943.9**	667.0
Total comprehensive income attributable to:				
Owners of the parent	**556.3**	330.8	**943.9**	667.0
Non-controlling interests	**119.6**	119.9	**-**	-
	675.9	450.7	**943.9**	667.0

The notes on pages 110 to 174 form an integral part of these financial statements.
Auditors' report on page 102.

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2015

		Attributable to owners of the parent					
THE GROUP	Notes	Share Capital MUR'M	Revaluation and Other Reserves MUR'M	Retained Earnings MUR'M	Total MUR'M	Non-Controlling Interests MUR'M	Total Equity MUR'M
At January 1, 2015		11,976.0	3,926.4	599.5	16,501.9	957.5	17,459.4
Profit for the year		-	-	597.1	597.1	129.3	726.4
Other comprehensive income for the year		-	(40.8)	-	(40.8)	(9.7)	(50.5)
Release of deferred tax on excess depreciation over historical cost depreciation		-	2.4	-	2.4	0.1	2.5
Release on disposal of land		-	(2.9)	2.9	-	-	-
Movement in reserves		-	(12.1)	-	(12.1)	0.7	(11.4)
Dividends	33	-	-	(193.4)	(193.4)	(102.8)	(296.2)
Balance at December 31, 2015		11,976.0	3,873.0	1,006.1	16,855.1	975.1	17,830.2

		Attributable to owners of the parent					
THE GROUP	Notes	Share Capital MUR'M	Revaluation and Other Reserves MUR'M	Retained Earnings MUR'M	Total MUR'M	Non-Controlling Interests MUR'M	Total Equity MUR'M
At January 1, 2014		11,976.0	3,918.5	460.2	16,354.7	945.9	17,300.6
Profit for the year		-	-	317.3	317.3	114.9	432.2
Other comprehensive income for the year		-	13.5	-	13.5	5.0	18.5
Release of deferred tax on excess depreciation over historical cost depreciation		-	2.3	-	2.3	-	2.3
Release on disposal of land		-	(4.0)	4.0	-	-	-
Movement in reserves		-	(3.9)	-	(3.9)	(0.3)	(4.2)
Dividends	33	-	-	(182.0)	(182.0)	(108.0)	(290.0)
Balance at December 31, 2014		11,976.0	3,926.4	599.5	16,501.9	957.5	17,459.4

The notes on pages 110 to 174 form an integral part of these financial statements.
Auditors' report on page 102. .

STATEMENTS OF CHANGES IN EQUITY (CONT'D) - YEAR ENDED DECEMBER 31, 2015

THE COMPANY	Notes	Share Capital MUR'M	Amalgamation Reserve MUR'M	Fair Value Reserve MUR'M	Retained Earnings MUR'M	Total MUR'M
At January 1, 2015		11,976.0	(172.3)	128.6	1,839.2	13,771.5
Profit for the year		-	-	-	268.9	268.9
Other comprehensive income for the year		-	-	675.0	-	675.0
Dividends	33	-	-	-	(193.4)	(193.4)
At December 31, 2015		11,976.0	(172.3)	803.6	1,914.7	14,522.0

	Notes	Share Capital MUR'M	Amalgamation Reserve MUR'M	Fair Value Reserve MUR'M	Retained Earnings MUR'M	Total MUR'M
At January 1, 2014		11,976.0	(172.3)	(309.5)	1,792.3	13,286.5
Profit for the year		-	-	-	228.9	228.9
Other comprehensive income for the year		-	-	438.1	-	438.1
Dividends	33	-	-	-	(182.0)	(182.0)
At December 31, 2014		11,976.0	(172.3)	128.6	1,839.2	13,771.5

The notes on pages 110 to 174 form an integral part of these financial statements.
Auditors' report on page 102.

STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2015

		THE GROUP		THE COMPANY	
	Notes	**2015**	2014	**2015**	2014
Operating activities		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Profit before taxation		**784.1**	466.2	**269.2**	228.9
Adjustments for :					
Depreciation	5	**253.5**	242.2	-	-
Release of deferred revenue		**(2.1)**	(2.0)	-	-
Profit on sale of property, plant and equipment/non current assets classified as held for sale		**(71.7)**	(31.5)	-	-
(Profit)/loss on sale of investments		**(7.9)**	(6.7)	**2.9**	(6.7)
Retirement benefit obligations		**(4.9)**	(10.2)	-	-
Amortisation of bearer biological assets	12	**82.0**	83.3	-	-
Amortisation of intangible assets		**5.7**	5.3	-	-
Depreciation of investment properties	6	**6.4**	6.4	-	-
Amortisation of VRS costs	14	**23.1**	23.2	-	-
Reversal of impairment of associate		**(166.1)**	(166.3)	-	-
Exchange differences		**0.3**	(1.1)	**0.3**	-
Derivative financial instruments		**(2.3)**	-	-	-
Investment income		**(13.2)**	(20.7)	**(301.8)**	(249.9)
Interest expense	31	**88.5**	68.4	**11.8**	12.1
Share of results of associates		**(287.0)**	(296.5)	-	-
Changes in working capital:					
- inventories		**(86.1)**	59.7	-	-
- consumable biological assets	17	**(50.5)**	103.7	-	-
- trade and other receivables		**(149.0)**	(134.5)	**0.5**	(12.4)
- trade and other payables		**117.4**	(48.4)	**5.6**	(209.6)
		520.2	340.5	**(11.5)**	(237.6)
VRS costs paid		-	(1.0)	-	-
Interest paid		**(88.5)**	(68.4)	**(11.8)**	(12.1)
Net income tax paid		**(52.3)**	(59.1)	**(0.1)**	(0.2)
Net cash from/(used in) operating activities		**379.4**	212.0	**(23.4)**	(249.9)

The notes on pages 110 to 174 form an integral part of these financial statements.
Auditors' report on page 102.

STATEMENTS OF CASH FLOWS (CONT'D) - YEAR ENDED DECEMBER 31, 2015

		THE GROUP		THE COMPANY	
	Notes	**2015**	2014	**2015**	2014
Investing activities		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Purchase of property, plant and equipment/investment properties	5,6	**(253.5)**	(227.9)	-	-
Intangible assets acquired	7	**(7.0)**	(0.7)	-	-
Replantation costs	12	**(83.5)**	(110.1)	-	-
Land development expenditure/ non-current assets classified as held for sale		**(35.3)**	(64.4)	-	-
Acquisition of additional stake in subsidiary		-	-	-	-
Purchase of investment in					
- subsidiaries		-	-	**(0.3)**	-
- associates	9	**(212.2)**	(13.5)	**(212.2)**	-
- others	10	**(1.0)**	(89.8)	**(1.0)**	(103.3)
Deposit on investment		**(102.0)**	-	-	-
Proceeds on sale of property, plant and equipment/non-current assets classified as held for sale		**128.8**	68.7	-	-
Proceeds on sale of investments		**9.3**	36.3	**9.3**	36.4
Loans granted to related party		**(19.1)**	5.4	**(11.4)**	-
Interest received		**6.4**	12.6	-	-
Dividend received		**150.9**	96.8	**301.8**	249.9
Net cash (used in)/from investing activities		**(418.2)**	(286.6)	**86.2**	183.0
Financing activities					
Proceeds from borrowings		**320.2**	581.6	**247.0**	204.4
Repayment of loans		**(53.5)**	(203.0)	**(124.0)**	-
Finance lease principle repayment		**(8.1)**	(6.1)	-	-
Dividends paid to shareholders of Terra Mauricia Ltd	33	**(193.4)**	(182.0)	**(193.4)**	(182.0)
Dividends paid to outside shareholders of subsidiaries		**(102.8)**	(108.0)	-	-
Net cash (used in)/from financing activities		**(37.6)**	82.5	**(70.4)**	22.4
(Decrease)/increase in cash and cash equivalents		**(76.4)**	7.9	**(7.6)**	(44.5)
Movement in cash and cash equivalents					
At January 1,		**(41.6)**	(49.5)	**8.6**	53.1
(Decrease)/increase		**(76.4)**	7.9	**(7.6)**	(44.5)
At December 31,	34	**(118.0)**	(41.6)	**1.0**	8.6

The notes on pages 110 to 174 form an integral part of these financial statements.
Auditors' report on page 102.

1. GENERAL INFORMATION

Terra Mauricia Ltd is a public limited company incorporated and domiciled in Mauritius and listed on the Official Market of the Stock Exchange of Mauritius Ltd since January 1, 2012. The address of its registered office is 18, Edith Cavell Street, Port-Louis.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

Principal activities

Terra Mauricia Ltd is an investment holding company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Terra Mauricia Ltd and its subsidiary companies (The Group) comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (The Group) and the separate financial statements of the parent company (The Company).
The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest million (M'000), except when otherwise indicated.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

(i) Land, buildings, power plant, building and civil works and certain factory equipment are carried at revalued amounts;

(ii) Investment in financial assets are stated at their fair value; and

(iii) consumable biological assets are stated at their fair value.

Amendments to published Standards and Interpretations effective in the reporting period

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendment has no impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Annual Improvements 2010-2012 Cycle

IFRS 2, 'Share based payments' amendment is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the Group's financial statements.

IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the Group's financial statements.

IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment has no impact on the Group's financial statements.

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Group's financial statements.

IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible Assets' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the Group's financial statements.

IAS 24,'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. The amendment has no impact on the Group's financial statements.

IAS 38, 'Intangible Assets' is amended to require an entity to take into account accumulated impairment losses when adjusting the amortisation on revaluation. The amendment has no impact on the Group's financial statements.

Annual Improvements 2011-2013 Cycle

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Group's financial statements, since the Group is an existing IFRS preparer.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Annual Improvements 2011-2013 Cycle (cont'd)

IFRS 3, 'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the Group's financial statements.

IFRS 13, 'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the Group's financial statements.

IAS 40, 'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment has no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2016 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:
IFRS 9 Financial Instruments
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
IFRS 14 Regulatory Deferral Accounts
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
IFRS 15 Revenue from Contract with Customers
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
Equity Method in Separate Financial Statements (Amendments to IAS 27)
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
Annual Improvements to IFRSs 2012-2014 Cycle
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
Disclosure Initiative (Amendments to IAS 1)

Where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment

Property, plant and equipment is initially recorded at cost. Land and buildings are subsequently shown at their existing use value based on valuations of external independent valuers, less subsequent depreciation for buildings. Power Plant and Building and Civil works and certain factory equipment are shown at their existing use value based on depreciated replacement cost less subsequent depreciation. All other property, plant and equipment is stated at historical cost less depreciation.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Each year the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Depreciation is calculated on the straight-line method to write off the cost or the revalued amounts of the assets to their residual values over their estimated useful lives as follows:

Buildings on Leasehold Land	2 - 6%
Land improvement	2%
Buildings	2 - 9%
Power Plant	4 - 20%
Building and Civil Works	4 - 10%
Factory Equipment	2 - 10%
Agricultural Equipment	5 - 20%
Motor Vehicles	20 - 25%
Furniture and Office Equipment	5 - 35%

Land is not depreciated.

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Investment properties

Investment properties, held to earn rentals, are initially stated at cost plus transaction costs. Subsequently they are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight line method to write off the cost of the investment properties to their residual values over the estimated useful life.

The principal annual rate is as follows:

Buildings	2 - 8%

2.4 Intangible assets

Intangible assets consist of Land Conversion Rights (closure costs), brands, goodwill, computer software and legal fees in respect of commercial contracts and distribution rights.

(i) Closure costs

Closure costs represents land conversion rights and are shown at cost. These are expected to be recovered from the profit on disposal of earmarked freehold land (note 7(d)) and are tested annually for impairment.

(ii) Brands/distribution rights

Brands/distribution rights are shown at cost and tested annually for impairment.

(iii) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.5) less accumulated impairment losses, if any.

Goodwill is tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

(iv) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (5 years).

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

(v) Legal fees

Legal fees incurred in respect of commercial contracts are capitalised on the basis that future economic benefits are expected to be derived from these contracts and can be reliably measured (10 years).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if this results in the non-controlling interest having a deficit balance.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (cont'd)

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.6 Investment in associates

Separate financial statements of the investor

In the separate financial statements of the investor, investments in associated companies are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the group's share of the net assets of the associate less any impairment in the value of individual investments.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.7 Financial assets

(a) Categories of financial assets

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial assets (cont'd)

(a) Categories of financial assets (cont'd)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The Group's loans and receivables comprise cash and cash equivalents, and trade and other receivables.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period.

(b) Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Available for sale financial assets are initially measured at fair value plus transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at their fair values. Loans and receivables are carried at amortised cost using the effective interest method.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in other comprehensive income. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(c) Impairment of financial assets

(i) Financial assets classified as available-for-sale

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss-measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial assets (cont'd)

(c) Impairment of financial assets (cont'd)

(i) Financial assets classified as available-for-sale (cont'd)

If the fair value of a previously impaired debt security classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal recognised in profit or loss.

(ii) Financial assets carried at amortised cost

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and, the amount of the asset is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit ratings), the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised amount would have been had the impairment not been recognised.

2.8 Long term receivables

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using the original effective interest rate. The amount of the loss is recognised in profit or loss. If there is objective evidence that an impairment loss has been incurred, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value (PV) of estimated cash flows discounted at the current market rate of return of similar financial assets.

2.9 Biological assets

Bearer biological assets are valued at cost less amortisation. Consumable biological assets are stated at their fair value.

(i) Bearer biological assets

These relate to cane replantation costs and are amortised over a period of 8 years.

(ii) Consumable biological assets

Standing canes are measured at their fair value. The fair value of standing canes is the present value of expected net cash flows from the standing canes discounted at the relevant market determined pre-tax rate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Accounting for leases - where Company is the lessee
Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss unless they are attributable to qualifying assets in which case, they are capitalised as borrowing costs.

2.11 Sugar Industry Voluntary Retirement Scheme (VRS)

VRS costs (net of refunds under the Multi Annual Adaptation Scheme and pension obligations previously provided for) are carried forward on the basis that under the Scheme, land of the Company can now be sold without payment of any land conversion taxes. These amounts are amortised over a period of 8 years. The amortisation is reviewed and reassessed yearly to ascertain the adequacy of the yearly charge taking into account the right exercised.

2.12 Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences can be utilised.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in profit or loss.

2.15 Derivative financial instrument

Derivative financial instruments relate to currency swaps. These are initially recognised at cost on the date a derivative contract is entered into and subsequently remeasured at their fair value. Fair values of derivatives between two external currencies are based on interest rate differential between the two currencies. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Transaction costs are charged immediately through profit or loss. The fair values of derivative financial instruments held for trading are disclosed in note 19.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, cash at bank and bank overdraft. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to any insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.17 Non-current assets classified as held for sale

The Company

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

The Group

Non-current assets classified as held for sale are measured at the lower of carrying value amount and fair value less costs to sell if their carrying amounts are recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Events or circumstances may extend the period to complete the sale beyond one year if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Stated capital

Ordinary shares are classified as equity.

2.19 Hedging activities

Cash flow hedge

A subsidiary has its loans denominated in Euro and has a revenue stream in Euro. The subsidiary has recognised a cash flow hedge whereby the foreign exchange exposure arising from translation of the loans is hedged against the revenue stream.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit and loss.

2.20 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2.21 Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2.22 Retirement benefit obligations G4-EC3

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Retirement benefit obligations (cont'd)

Defined benefit plans (cont'd)

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Employment Rights Act 2008 is calculated by qualified actuaries and provided for. The obligations arising under this item are not funded.

2.23 Provisions

Provisions are recognised when: the Group has a legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.24 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Foreign currencies (cont'd)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying as cash flow hedges.

Foreign exchange gains and losses that relate to cash and cash equivalents is presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(b) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates; and

(c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

2.25 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns, value added taxes, rebates and other similar allowances and after eliminating sales within the Group.

Sale of goods

Sales of goods are recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sugar and molasses proceeds are recognised on total production of the crop year. Bagasse proceeds are accounted on a cash basis. Sugar and molasses prices are based on prices recommended by the Mauritius Chamber of Agriculture for the crop year.

Rendering of services

Revenue from the rendering of services are recognised in the accounting year in which the services are rendered.

Other revenues earned by the Group are recognised on the following bases:

- Interest income - on a time-proportion basis using the effective interest method.
- Dividend income - when the shareholder's right to receive payment is established.
- Compensation from the Sugar Insurance Fund Board - recognised on a time-proportion basis.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

2.28 Segment reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks which have to be effectively managed so as to protect its long term sustainability and to safeguard the interests of its stakeholders.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

A description of the significant risk factors is given below together with risk management policies where applicable.

(a) Market risk
(b) Credit risk
(c) Liquidity risk and
(d) Cash flow and fair value interest rate risk.

(a) Market risk

(i) Currency risk

The Group is exposed to foreign exchange risk arising from sugar growing activities, primarily with respect to the Euro and the US dollar. This risk affects both the crop proceeds and the fair value of the biological assets.

The Group also has investments in foreign entities, whose net assets are exposed to currency translation risk.

Currency profile

The currency profile of the Group's and the Company's total assets and liabilities are summarised below:

THE GROUP	MUR MUR'M	EURO MUR'M	USD MUR'M	Other currencies MUR'M	TOTAL MUR'M
At December 31, 2015					
Trade and other receivables	**1,187.3**	**73.1**	**39.6**	**12.8**	**1,312.8**
Cash in hand and at bank	**109.2**	**11.9**	**10.5**	**1.4**	**133.0**
Other assets	**18,552.7**	**1,486.3**	**-**	**4.2**	**20,043.2**
Total assets	**19,849.2**	**1,571.3**	**50.1**	**18.4**	**21,489.0**
Liabilities	**3,059.1**	**477.3**	**79.2**	**43.2**	**3,658.8**
At December 31, 2014					
Trade and other receivables	1,028.7	86.2	16.7	32.2	1,163.8
Cash in hand and at bank	75.1	7.4	0.2	32.5	115.2
Other assets	18,651.1	535.3	-	-	19,186.4
Total assets	19,754.9	628.9	16.9	64.7	20,465.4
Liabilities	2,468.8	464.6	66.8	5.8	3,006.0

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

Currency profile (cont'd)

THE COMPANY	MUR MUR'M	EURO MUR'M	TOTAL MUR'M
At December 31, 2015			
Trade and other receivables	**41.5**	**-**	**41.5**
Cash in hand and at bank	**0.7**	**3.9**	**4.6**
Other assets	**14,094.3**	**738.0**	**14,832.3**
Total assets	**14,136.5**	**741.9**	**14,878.4**
Liabilities	**356.4**	**-**	**356.4**

THE COMPANY	MUR MUR'M	EURO MUR'M	TOTAL MUR'M
At December 31, 2014			
Trade and other receivables	42.0	-	42.0
Cash in hand and at bank	7.0	3.8	10.8
Other assets	13,403.1	541.8	13,944.9
Total assets	13,452.1	545.6	13,997.7
Liabilities	226.2	-	226.2

At December 31, 2015, if the rupee had weakened/strengthened by 5% against the US dollar/Euro with all other variables held constant, post-tax profit for the year would have impacted as shown in the table below, mainly as a result of foreign exchange gains/losses on translation of US dollar/Euro denominated borrowings, financial assets at fair value through profit or loss, bank deposits, trade receivables and payables.

	THE GROUP		**THE COMPANY**	
	2015 **MUR'M**	2014 MUR'M	**2015** **MUR'M**	2014 MUR'M
Rupee strengthened/weakened by 5%				
Post-tax profit and equity	**53.3**	5.7	**37.1**	27.0

(ii) Price risk

The Group is exposed to equity securities price risk because of investments in financial assets held by the Group and classified on the consolidated statement of financial position as available-for-sale.

The Group is also exposed to price risk with the incidence of the price of sugar in the European Union market.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) Price risk (cont'd)

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's equity.

The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	THE GROUP		**THE COMPANY**	
	2015 **MUR'M**	2014 MUR'M	**2015** **MUR'M**	2014 MUR'M
	+/-5%	+/-5%	**+/-5%**	+/-5%
Available-for-sale investments	**20.5**	26.6	**741.0**	697.2

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group trade receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position, are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current environment.

As regards the sugar and energy segments, the Group has significant concentration of credit risk with exposure spread over a few customers. However, sale of products is made through reputable institutions where risk of default is very remote.

As for the Brands segment, the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and to limit the amount of credit exposure to any one financial institution.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

Forecasted liquidity reserve as of December 31, 2016 is as follows:

	THE GROUP		THE COMPANY	
	2016 **MUR'M**	2015 MUR'M	**2016** **MUR'M**	2015 MUR'M
Opening balance	**(118.0)**	(41.6)	**1.0**	8.6
Cash flows from/(used in) operating activities	**520.3**	285.0	**(32.0)**	(23.4)
Cash flows (used in)/from investing activities	**(325.9)**	(323.7)	**189.8**	86.2
Cash flows used in financing activities	**(209.3)**	(37.7)	**(132.0)**	(70.4)
Closing balance	**(132.9)**	(118.0)	**26.8**	1.0

The table below analyses the Group's non-derivative financial liabilities and into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

THE GROUP	Less than 1 year MUR'M	Between 1 and 2 years MUR'M	Between 2 and 5 years MUR'M
At December 31, 2015			
Borrowings including bank overdrafts	**1,553.6**	**70.5**	**353.5**
Trade and other payables	**792.8**	**-**	**-**
At December 31, 2014			
Borrowings including bank overdrafts	1,188.8	69.3	341.9
Trade and other payables	675.4	-	-

THE COMPANY	Less than 1 year MUR'M
At December 31, 2015	
Borrowings including bank overdrafts	**331.0**
Trade and other payables	**25.1**
At December 31, 2014	
Borrowings including bank overdrafts	206.6
Trade and other payables	19.5

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(d) Cash flow and fair value interest rate risk

The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates also expose the Group to fair value interest-rate risk.

(i) At December 31, 2015, if interest rates on rupee-denominated borrowings and Euro-denominated borrowings had been 10 basis points and 50 basis points respectively higher/lower with all other variables held constant, post-tax profit for the year and shareholders' equity would have been changed as shown in the table below.

	Rupee denominated borrowings (10 basis points)		Euro denominated borrowings (50 basis points)	
	2015	2014	**2015**	2014
THE GROUP	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Impact on post-tax profit and shareholders' equity	**1.5**	1.3	**1.7**	1.2
THE COMPANY				
Impact on post-tax profit and shareholders' equity	**0.3**	0.1	**N/A**	N/A

(ii) At December 31, 2015, if variable interest rates on deposit at bank had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would not be significantly impacted.

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:
- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Biological assets

The Group is exposed to fluctuations in the price of sugar and the incidence of exchange rate. This risk affects both the crop proceeds and the fair value of biological assets. The risk is not hedged.

3.4 Capital Risk Management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e stated capital, revaluation and other reserves, and retained earnings).

During 2015, the Group's strategy, which was unchanged from 2014, was to reduce the debt-to-adjusted capital ratio to a reasonable level in order to secure access to finance at a reasonable cost.

The debt-to-adjusted capital ratios at 31 December 2015 and 31 December 2014 were as follows:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Total debt (note 23)	**1,977.6**	1,600.0	**331.0**	206.6
Less: cash in hand and at bank	**(133.0)**	(115.2)	**(4.6)**	(10.8)
Net debt	**1,844.6**	1,484.8	**326.4**	195.8
Total equity	**17,830.2**	17,459.4	**14,522.0**	13,771.5
Debt-to-adjusted capital ratio	**0.1:1**	0.09:1	**0.02:1**	0.01:1

There were no changes in the Group's approach to capital risks management during the year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS G4-EC3

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(a) Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(b) Fair value of securities not quoted in an active market

Level 3 Available-for-sale investments are stated at cost since no reliable estimate could be obtained to compute the fair value of these securities. The directors used their judgement at year-end and reviewed the carrying amount of these investments and in their opinion there were no material difference between the carrying amount and the fair value of the unquoted securities. To their judgement, the carrying amount is an approximate of the fair value of these investments.

(c) Biological assets

(i) Bearer biological assets

Bearer biological assets have been estimated based on the cost of land preparation and planting of bearer canes.

(ii) Consumable biological assets - Standing Canes

The fair value of consumable biological assets has been arrived at by discounting the present value (PV) of expected net cash flows from standing canes discounted at the relevant market determined pre-tax rate.

The expected cash flows have been computed by estimating the expected crop and the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct expenses are based on the yearly budgets of the Company.

(d) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from disposal of the asset if the asset was already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(e) Pension benefits

The present value of pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(f) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

(g) Assets lives and residual lives

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

(h) Revaluation of property, plant and equipment

The Group carries land, buildings and civil works and power plant at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value at December 31, 2012.

(i) Impairment of assets

Goodwill is considered for impairment at least annually. Property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is allocated to the other assets of a cash-generating unit.

(j) Assets and Investments in respect of Terragri Ltd and Terra Milling Ltd

An implementation committee set up to analyse the recommendations of the LMC Report has submitted its recommendations to Government.

As a consequence of which, several measures have been announced in December 2015 including a special assistance of MUR 2,000 per tonne of sugar accrued for crop 2015, as was the case for crop 2014. This stems from the Actuarial Report of 2014.

It is understood that Government would shortly come up with legislation to translate the relevant measures of the LMC Report into legislation.

It is also understood that, as recommended in the 2014 Actuarial Report, the SIFB would shortly commission a study to consider the post 2015 period and make appropriate recommendations.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(j) Assets and Investments in respect of Terragri Ltd and Terra Milling Ltd (cont'd)

The EU Commission document "Prospects for EU Agricultural Markets and Income" of December 2015 when comparing the prices for 2014 and 2015 indicates an increase of 60 Euro per tonne.

A new EU funded study has been launched for all ACP countries for the post 2017 situation and is expected to come up with recommendations in mid 2016. The objective of this study is to provide policymakers with a comprehensive and structured economic analysis that would facilitate their decision making in considering strategic options in agricultural and sugar policy.

In the light of the above, assets and investments in respect of cane growing and milling entities have been reviewed accordingly.

5. PROPERTY, PLANT AND EQUIPMENT

(a) **THE GROUP**	Land	Buildings on Leasehold Land and Land Improvement	Buildings	Power Plant	Building and Civil Works	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION										
At January 1, 2015										
- Cost	3,770.9	254.0	209.4	168.3	15.1	590.0	400.8	464.8	331.6	6,204.9
- Valuation	7,916.7	-	1,394.5	2,107.9	370.4	1,343.7	-	-	-	13,133.2
	11,687.6	254.0	1,603.9	2,276.2	385.5	1,933.7	400.8	464.8	331.6	19,338.1
Additions	-	3.9	29.8	31.7	1.0	81.7	5.0	68.7	31.7	253.5
Disposals/Scrapped assets	(3.0)	-	-	(4.4)	-	(0.8)	-	(12.1)	(1.8)	(22.1)
Transfers	-	-	4.1	-	-	-	0.4	(7.1)	(1.3)	(3.9)
At December 31, 2015										
- Cost	**3,767.9**	**257.9**	**243.3**	**195.6**	**16.1**	**670.9**	**406.2**	**514.3**	**360.2**	**6,432.4**
- Valuation	**7,916.7**	**-**	**1,394.5**	**2,107.9**	**370.4**	**1,343.7**	**-**	**-**	**-**	**13,133.2**
	11,684.6	**257.9**	**1,637.8**	**2,303.5**	**386.5**	**2,014.6**	**406.2**	**514.3**	**360.2**	**19,565.6**
DEPRECIATION										
At January 1, 2015	-	86.9	1,238.3	1,158.0	185.5	1,350.0	371.4	315.6	235.4	4,941.1
Charge for the year	-	3.4	29.1	53.2	8.9	64.9	22.7	46.4	24.9	253.5
Disposals/Scrapped assets	-	-	-	(2.4)	-	(0.8)	-	(12.0)	(1.8)	(17.0)
Transfers	-	(0.1)	-	-	-	-	(7.8)	4.8	3.1	-
At December 31, 2015	**-**	**90.2**	**1,267.4**	**1,208.8**	**194.4**	**1,414.1**	**386.3**	**354.8**	**261.6**	**5,177.6**
NET BOOK VALUES										
At December 31, 2015	**11,684.6**	**167.7**	**370.4**	**1,094.7**	**192.1**	**600.5**	**19.9**	**159.5**	**98.6**	**14,388.0**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) **THE GROUP**	Land	Buildings on Leasehold Land and Land Improvement	Buildings	Power Plant	Building and Civil Works	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION										
At January 1, 2014										
- Cost	3,771.3	253.3	175.4	145.7	13.3	515.3	385.2	437.0	303.4	5,956.9
- Valuation	7,921.2	-	1,394.5	2,107.9	370.4	1,343.7	-	-	-	13,180.7
	11,692.5	253.3	1,569.9	2,253.6	383.7	1,859.0	385.2	437.0	303.4	19,137.6
Additions	-	0.7	34.0	33.3	1.8	76.0	16.1	36.8	29.2	227.9
Disposals/Scrapped assets	(4.9)	-	-	(10.7)	-	(1.3)	(0.5)	(9.0)	(1.0)	(27.4)
At December 31, 2014										
- Cost	**3,770.9**	**254.0**	**209.4**	**168.3**	**15.1**	**590.0**	**400.8**	**464.8**	**331.6**	**6,204.9**
- Valuation	**7,916.7**	**-**	**1,394.5**	**2,107.9**	**370.4**	**1,343.7**	**-**	**-**	**-**	**13,133.2**
	11,687.6	**254.0**	**1,603.9**	**2,276.2**	**385.5**	**1,933.7**	**400.8**	**464.8**	**331.6**	**19,338.1**
	-									
DEPRECIATION										
At January 1, 2014	-	83.8	1,210.4	1,111.3	176.7	1,288.8	345.3	284.7	213.8	4,714.8
Charge for the year	-	3.1	27.9	52.1	8.8	62.3	26.6	39.8	21.6	242.2
Disposals/Scrapped assets	-	-	-	(5.4)	-	(1.1)	(0.5)	(8.9)	-	(15.9)
At December 31, 2014	**-**	**86.9**	**1,238.3**	**1,158.0**	**185.5**	**1,350.0**	**371.4**	**315.6**	**235.4**	**4,941.1**
NET BOOK VALUES										
At December 31, 2014	**11,687.6**	**167.1**	**365.6**	**1,118.2**	**200.0**	**583.7**	**29.4**	**149.2**	**96.2**	**14,397.0**

(c) Land and buildings

(i) Land and buildings were revalued in 2012, by Noor Dilmohamed & Associates, Independent Certified Practising Valuer. Valuations were made on the basis of open market value method. Building and Civil works and Power Plant have been revalued in 2004, by Atkins, the Lender's Independent Engineer. The revaluation was carried out on the basis of the Depreciated Replacement Cost method. The book values of the properties were adjusted to the revalued amounts and the resulting surplus net of deferred income taxes was credited to revaluation surplus in shareholders' equity.

During 2012, the Group conducted an operational efficiency review of its Power Plant which resulted in changes in the expected usage. The plant is now expected to remain in production for 24 years from 2012.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Land and buildings (cont'd)

Details of the Group's freehold land and buildings measured at fair value and information about the fair value hierarchy is as follows:

	Level 2	
December 31,	**2015**	2014
	MUR'M	MUR'M
Freehold land	**11,684.6**	11,687.6
Buildings	**370.4**	365.6
Power plant	**1,094.7**	1,118.2
Building and civil works	**192.1**	200.0
Factory equipment	**600.5**	583.7
Total	**13,942.3**	13,955.1

There were no transfers between levels 1 and 2 during the year.

The fair value of the freehold land was derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the price per square metre.

The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

(d) The Group is eligible for the conversion of 255.70 arpents of agricultural land to other purposes subject to the issue of relevant permits in the context of the implementation of the following schemes under the provision of the SIE Act 2001, namely:

(i) Voluntary Retirement Scheme/Early Retirement Scheme with 13.85 arpents.
(ii) Closure of Beau Plan Sugar Factory with 21.70 arpents
(iii) Upgrading and modernization of Belle Vue Sugar Factory with 43.45 arpents.
(iv) Setting up of CTBV Power Plant with 176.70 arpents.

(e) Financing of compensation payments following closure of Beau Plan Sugar Factory

The Group will recoup the closure costs through the disposal of 37 hectares of freehold land for which application has been submitted to the Ministry of Agriculture, Food, Technology and Natural Resources.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(f) Depreciation has been charged to profit or loss as follows:

	THE GROUP	
	2015 **MUR'M**	2014 MUR'M
Cost of sales	**131.3**	127.3
Other expenses	**122.2**	114.9
	253.5	242.2

(g) If property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

THE GROUP	Land MUR'M	Buildings MUR'M	Factory Equipment MUR'M	Power Plant MUR'M	Building and Civil Works MUR'M
<u>2015</u>					
Cost	**3,767.9**	**243.3**	**670.9**	**195.6**	**16.1**
Accumulated depreciation	**-**	**(188.3)**	**(470.9)**	**(102.6)**	**(8.1)**
Net book value	**3,767.9**	**55.0**	**200.0**	**93.0**	**8.0**

THE GROUP	Land MUR'M	Buildings MUR'M	Factory Equipment MUR'M	Power Plant MUR'M	Building and Civil Works MUR'M
<u>2014</u>					
Cost	3,770.2	209.4	590.0	168.3	15.1
Accumulated depreciation	-	(161.7)	(411.9)	(85.6)	(7.3)
Net book value	3,770.2	47.7	178.1	82.7	7.8

(h) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including property, plant and equipment (note 23(f)).

(i) Additions include MUR'M Nil (2014: MUR'M 32.1) of assets leased under finance leases.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(j) Leased assets included above comprise of agricultural equipment and motor vehicles:

	THE GROUP		
<u>2015</u>	Agricultural Equipment MUR'M	Motor Vehicles MUR'M	Total MUR'M
Cost - capitalised finance leases	**62.3**	**3.9**	**66.2**
Accumulated depreciation	**(22.3)**	**(2.4)**	**(24.7)**
Net book value	**40.0**	**1.5**	**41.5**

<u>2014</u>	Agricultural Equipment MUR'M	Motor Vehicles MUR'M	Total MUR'M
Cost - capitalised finance leases	62.1	4.5	66.6
Accumulated depreciation	(10.0)	(1.5)	(11.5)
Net book value	52.1	3.0	55.1

6. INVESTMENT PROPERTIES

	THE GROUP	
	2015 **MUR'M**	2014 MUR'M
COST		
At January 1,	**299.5**	299.5
Transfer	**0.1**	-
At December 31,	**299.6**	299.5
DEPRECIATION		
At January 1,	**78.4**	72.0
Charge for the year	**6.4**	6.4
Transfer adjustment	**0.1**	-
At December 31,	**84.9**	78.4
NET BOOK VALUES		
At December 31,	**214.6**	221.1
Fair Value	**307.1**	314.5

6. INVESTMENT PROPERTIES (CONT'D)

(a) Details of the Group's investment properties and information about the fair value hierarchy is as follows:

	Level 3	
	2015	2014
December 31,	**MUR'M**	MUR'M
Buildings	**307.1**	314.5

Fair value is based on market value and directors' valuation.

(b) The following amounts have been recognised in profit or loss:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Rental income	**24.1**	19.6
Direct operating expenses from investment properties that generate rental income	**11.6**	10.4

(c) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including investment properties (note 23(f)).

7. INTANGIBLE ASSETS

(a) THE GROUP	Land Conversion Rights-Closure Costs MUR'M	Brands MUR'M	Goodwill MUR'M	Computer Software MUR'M	Legal Fees MUR'M	Distribution Rights MUR'M	Total MUR'M
COST							
At January 1, 2015	319.6	46.1	13.9	34.4	47.8	2.1	463.9
Additions	-	-	-	7.0	-	-	7.0
Transfers	-	-	-	3.8	-	-	3.8
At December 31, 2015	**319.6**	**46.1**	**13.9**	**45.2**	**47.8**	**2.1**	**474.7**
AMORTISATION							
At January 1, 2015	-	-	-	34.0	47.8	-	81.8
Charge for the year	-	-	-	5.7	-	-	5.7
Transfers	-	-	-	(0.1)	-	-	(0.1)
At December 31, 2015	**-**	**-**	**-**	**39.6**	**47.8**	**-**	**87.4**
NET BOOK VALUES							
At December 31, 2015	**319.6**	**46.1**	**13.9**	**5.6**	**-**	**2.1**	**387.3**
(b) THE GROUP							
COST							
At January 1, 2014	319.6	46.1	13.9	33.7	47.8	2.1	463.2
Additions	-	-	-	0.7	-	-	0.7
At December 31, 2014	**319.6**	**46.1**	**13.9**	**34.4**	**47.8**	**2.1**	**463.9**
AMORTISATION							
At January 1, 2014	-	-	-	28.7	47.8	-	76.5
Charge for the year	-	-	-	5.3	-	-	5.3
At December 31, 2014	**-**	**-**	**-**	**34.0**	**47.8**	**-**	**81.8**
NET BOOK VALUES							
At December 31, 2014	**319.6**	**46.1**	**13.9**	**0.4**	**-**	**2.1**	**382.1**

(c) Amortisation charge of MUR'M 5.7 (2014: MUR'M 5.3) has been charged to other expenses.

(d) Closure costs

Closure costs relate to provisions made in accordance with the Blue Print on Centralisation of Sugar Milling operations in Mauritius issued in May 1997 and conditions laid down by the Minister of Agriculture in respect of the closure of the Beau Plan Sugar Factory and the Mon Loisir Sugar Factory. Terra Milling Ltd, one of the Company's subsidiaries, in accordance with the provisions of the "Blue Print", acquired the right to purchase land at agricultural value and to convert the same land for development purposes and be exempted from land conversion tax, land transfer tax and morcellement tax.

8. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2015	2014
	MUR'M	MUR'M
At January 1,	**12,424.8**	11,183.8
Reclassified from investment in associates	**-**	861.5
Additions	**0.3**	-
Increase in fair value	**541.4**	379.5
At December 31,	**12,966.5**	12,424.8

Details of subsidiaries are set out in note 35.

9. INVESTMENT IN ASSOCIATES

(a) **THE GROUP**	**2015** **MUR'M**	2014 MUR'M
(i) Group's share of net assets	**2,736.2**	2,044.9
Goodwill	**207.9**	207.9
At December 31,	**2,944.1**	2,252.8

Details of associates are set out in note 36.

(ii) At January 1,	**2,252.8**	1,872.3
Transfer from investment in financial assets	**80.3**	-
Additions	**212.2**	13.5
Disposal	**(1.4)**	-
Share of profit after tax and minority interest	**287.0**	296.5
Dividend paid	**(144.1)**	(88.7)
Reversal of impairment of associate	**166.1**	166.3
Movement on reserves	**91.2**	(7.1)
At December 31,	**2,944.1**	2,252.8

(iii) Investment in the associate Sucrivoire S.A was impaired in previous years. The economical and political situations in Ivory Coast have now stabilized and Sucrivoire S.A has been steadily generating profits since 2006 and in the opinion of the company profits will be maintained in the foreseeable future. Accordingly, MUR'M 166.1 of the impairment has been reversed in the current year (2014: MUR'M 166.3).

9. INVESTMENT IN ASSOCIATES (CONT'D)

(b) **THE COMPANY**	**2015** **MUR'M**	2014 MUR'M
At January 1,	**973.0**	1,772.6
Transferred to investment in subsidiaries	**-**	(861.5)
Reclassified from investment in financial assets (note 10)	**80.3**	-
Additions	**212.2**	-
Disposals	**(12.2)**	-
Increase in fair value	**173.3**	61.9
At December 31,	**1,426.6**	973.0

10. INVESTMENT IN FINANCIAL ASSETS

	Available-for-sale			
	Listed			
THE GROUP	**Official Market**	**DEM**	**Unquoted**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
(a) At January 1, 2015	**252.5**	**26.5**	**253.5**	**532.5**
Additions	**1.0**	**-**	**-**	**1.0**
Transferred to investment in associates (note 9)	**-**	**-**	**(80.3)**	**(80.3)**
Exchange differences	**-**	**-**	**(0.3)**	**(0.3)**
Decrease in fair value	**(24.1)**	**(4.3)**	**(15.1)**	**(43.5)**
At December 31, 2015	**229.4**	**22.2**	**157.8**	**409.4**

	Available-for-sale			
	Listed			
	Official Market	DEM	Unquoted	Total
	MUR'M	MUR'M	MUR'M	MUR'M
(b) At January 1, 2014	258.2	53.0	165.9	477.1
Additions	1.1	-	88.7	89.8
Disposals	-	(26.0)	(2.5)	(28.5)
(Decrease)/increase in fair value	(6.8)	(0.5)	1.4	(5.9)
At December 31, 2014	252.5	26.5	253.5	532.5

(c) Available-for-sale financial assets	Level 1 MUR'M	Level 2 MUR'M	Level 3 MUR'M	Total MUR'M
At December 31, 2015	**251.6**	**87.9**	**69.9**	**409.4**
At December 31, 2014	279.0	103.0	150.5	532.5

10. INVESTMENT IN FINANCIAL ASSETS (CONT'D)

	Available-for-sale			
	Listed			
THE COMPANY	**Official Market**	**DEM**	**Unquoted**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
(d) At January 1, 2015	**267.5**	**26.5**	**253.1**	**547.1**
Additions	**1.0**	**-**	**-**	**1.0**
Transferred to investment in associates (note 9)	**-**	**-**	**(80.3)**	**(80.3)**
Exchange differences	**-**	**-**	**(0.3)**	**(0.3)**
Decrease in fair value	**(20.3)**	**(4.3)**	**(15.1)**	**(39.7)**
At December 31, 2015	**248.2**	**22.2**	**157.4**	**427.8**

	Available-for-sale			
	Listed			
	Official Market	DEM	Unquoted	Total
	MUR'M	MUR'M	MUR'M	MUR'M
(e) At January 1, 2014	258.2	53.0	165.5	476.7
Additions	14.6	-	88.7	103.3
Disposals	-	(26.0)	(2.5)	(28.5)
(Decrease)/increase in fair value	(5.3)	(0.5)	1.4	(4.4)
At December 31, 2014	267.5	26.5	253.1	547.1

(f) Available-for-sale financial assets	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2015	**270.4**	**87.9**	**69.5**	**427.8**
At December 31, 2014	294.0	103.0	150.1	547.1

(g) Available-for-sale financial assets are denominated in Mauritian Rupee.

(h) None of the financial assets are impaired.

(i) There were no transfers between levels.

11. NON-CURRENT RECEIVABLES

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Deposit on investment	**102.0**	-	**-**	-
Others loans	**25.6**	6.5	**11.4**	-
	127.6	6.5	**11.4**	-

12. BEARER BIOLOGICAL ASSETS

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
COST		
At January 1,	**601.2**	579.9
Additions	**83.5**	110.1
Assets fully amortised	**(85.3)**	(88.8)
At December 31,	**599.4**	601.2
AMORTISATION		
At January 1,	**297.6**	303.1
Charge for the year	**82.0**	83.3
Assets fully amortised	**(85.3)**	(88.8)
At December 31,	**294.3**	297.6
NET BOOK VALUES	**305.1**	303.6

Bearer biological assets relate to the cost of land preparation and planting of virgin canes that have an expected life cycle of 8 years as they would normally generate 8 years of crop harvest. There is no active market for bearer biological assets and cost is considered as fair value.

13. LAND DEVELOPMENT EXPENDITURE

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
At January 1,	**68.7**	95.9
Reclassified to non current assets classified as held for sale (note 20)	**(2.4)**	-
Reclassified to liabilities directly associated with non current assets classified as held for sale	**0.4**	-
Additions	**11.2**	0.3
Release to income statement	**-**	(27.5)
At December 31,	**77.9**	68.7

14. DEFERRED VRS COSTS

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Voluntary Retirement Scheme (VRS)		
COST		
At January 1,/December 31,	**422.7**	422.7
AMORTISATION		
At January 1,	**399.6**	376.4
Charge for the year	**23.1**	23.2
At December 31,	**422.7**	399.6
NET BOOK VALUES		
At December 31,	**-**	23.1

VRS 2

Under the terms of the Multi Annual Adaptation Scheme, the Group has received a refund from the Sugar Reform Trust for VRS 2 in respect of cash disbursements and infrastructural costs to be incurred and land to be distributed to the relevant employees and other eligible VRS costs.

Estimates regarding land infrastructure and other eligible VRS costs yet to be disbursed, are carried as payables. Under the scheme, the Group acquired the right to sell land on which no land conversion tax is payable.

15. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2014: 15%).

Deferred income tax assets and liabilities are offset when the income taxes relate to the same entity and the same fiscal authority. The following amounts are shown in the statements of financial position:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Deferred tax assets	**(118.0)**	(36.3)
Deferred tax liabilities	**272.9**	214.4
	154.9	178.1

15. DEFERRED INCOME TAXES (CONT'D)

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Unused tax losses available for offset against future taxable profits	**306.0**	323.7

The movement on the deferred income tax account is as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
At January 1,	**178.1**	190.2
Credited to profit or loss (note 27(b))	**(5.8)**	(11.6)
Credited to equity	**(17.4)**	(0.5)
At December 31,	**154.9**	178.1

Deferred tax assets and liabilities, deferred tax movement in profit or loss and equity are attributable to the following items:

THE GROUP	At January 1, 2015	Profit or loss	Release to Equity	At December 31, 2015
	MUR'M	MUR'M	MUR'M	MUR'M
Deferred income tax liabilities				
Accelerated tax depreciation	187.6	2.4	-	190.0
Asset revaluations	79.2	(1.5)	(2.5)	75.2
Deferred VRS costs	3.7	(3.7)	-	-
	270.5	(2.8)	(2.5)	265.2
Deferred income tax assets				
Tax losses carried forward	1.8	3.9	-	5.7
Provisions for VRS costs	17.1	-	-	17.1
Retirement benefit obligations	73.5	(0.9)	14.9	87.5
	92.4	3.0	14.9	110.3
Net deferred income tax liabilities	178.1	(5.8)	(17.4)	154.9

16. INVENTORIES

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
(a) Raw materials	**137.0**	143.8
Finished goods	**330.5**	253.4
Spare parts and consumables	**280.6**	264.8
	748.1	662.0

(b) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including inventories (see note 23(f)).

(c) The cost of inventories recognised as expense and included in cost of sales are as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Cost of inventories consumed	**2,072.8**	1,861.7

17. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
At January 1,	**153.6**	257.3
Gains/(losses) from changes in fair value	**50.5**	(103.7)
At December 31,	**204.1**	153.6

The fair value measurements for standing canes have been categorised as Level 3 fair values based on the inputs.

At December 31, 2015, standing canes comprised of approximately 4,985 hectares of cane plantations (2014: 4,966 hectares).

During the year the Group harvested approximately 391,116 tonnes of canes (2014: 375,687 tonnes), which had a fair value less costs to sell of MUR'M 153.6 (2014: MUR'M 257.3) at the date of harvest.

18. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade receivables	**838.8**	648.3	**-**	-
Less: provision for impairment	**(13.1)**	(8.2)	**-**	-
Trade receivables - net	**825.7**	640.1	**-**	-
Sugar proceeds receivable	**137.7**	255.0	**-**	-
Molasses proceeds receivable	**19.3**	30.9	**-**	-
Other receivables	**330.1**	237.8	**41.5**	42.0
	1,312.8	1,163.8	**41.5**	42.0

The carrying amounts of trade and other receivables approximate their fair value.

As at December 31, 2015, trade receivables of MUR'M 13.1 (2014: MUR'M 8.2) for the Group were impaired and provided for. The ageing of these receivables is as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Over 6 months	**13.1**	8.2

As at December 31, 2015, trade receivables of MUR'M 20.7 for the Group (2014: MUR'M 31.1) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
3 to 6 months	**7.8**	14.1
Over 6 months	**12.9**	17.0
	20.7	31.1

18. TRADE AND OTHER RECEIVABLES (CONT'D)

The carrying amounts of the Group's and the Company's trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Rupee	**1,166.6**	1,028.7	**41.5**	42.0
US Dollar	**6.9**	16.7	**-**	-
Euro	**101.3**	86.2	**-**	-
Other currencies	**38.0**	32.2	**-**	-
	1,312.8	1,163.8	**41.5**	42.0

Movements on the provision for impairment of trade receivables are as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
At January 1,	**8.2**	7.4
Provision for impairment	**7.1**	1.3
Receivables written off during the year as uncollectible	**(1.6)**	(0.5)
Unused amount reversed	**(0.6)**	-
At December 31,	**13.1**	8.2

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group and the Company do not hold any collateral as security.

19. DERIVATIVE FINANCIAL INSTRUMENTS

	Contractual/Nominal amount		Fair value assets	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Currency swaps	**902.2**	613.9	**3.1**	0.8

Currency swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies.

20. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
At January 1,	**146.3**	85.0
Expenditure incurred during the year	**21.9**	64.1
Reclassified from land development expenditure (note 13)	**2.4**	-
Release to profit or loss on disposal	**(54.7)**	(2.8)
At December 31,	**115.9**	146.3

Non-current assets held for sale consist of plots of land and their related development costs, available for sale under the "1200 A" scheme and VRS financing scheme for residential purpose.

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
(a) Disposal proceeds	**92.4**	-
(b) Liabilities directly associated with non-current assets held-for-sale		
Accruals and provisions	**1.9**	6.4

21. STATED CAPITAL

	2014 and 2015	
	No. of shares	**MUR'M**
Issued and fully paid	**(M)**	
Ordinary shares		
At December 31,	**227.5**	**11,976.0**

The total issued number of ordinary shares of Terra Mauricia Ltd is 227,545,624 shares of no par value (2014: 227,545,624 shares). All issued shares are fully paid.

22. REVALUATION AND OTHER RESERVES

	Associates Reserves	Revaluation and Other Capital Reserves	Actuarial losses	Translation Reserve	Fair Value Reserve	Total
(a) THE GROUP	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
(i) At January 1, 2015	(80.1)	4,414.9	(156.0)	15.7	(268.1)	3,926.4
Remeasurements of post employment benefit obligations	-	-	(91.6)	-	-	(91.6)
Deferred tax on remeasurements of post employment benefit obligations	-	-	13.7	-	-	13.7
Decrease in fair value of available-for-sale financial assets	-	-	-	-	(43.5)	(43.5)
Release of deferred tax on excess depreciation over historical cost depreciation	-	2.4	-	-	-	2.4
Release on disposal of land	-	(2.9)	-	-	-	(2.9)
Translation reserve movement	-	-	-	(10.5)	-	(10.5)
Scrappings of revalued property, plant and equipment	-	(0.1)	-	-	-	(0.1)
Share of other comprehensive income of associates	91.2	-	-	-	-	91.2
Movements on reserves	-	(12.1)	-	-	-	(12.1)
At December 31, 2015	**11.1**	**4,402.2**	**(233.9)**	**5.2**	**(311.6)**	**3,873.0**
(ii) At January 1, 2014	(73.0)	4,420.9	(165.3)	(0.8)	(263.3)	3,918.5
Remeasurements of post employment benefit obligations	-	-	10.9	-	-	10.9
Deferred tax on remeasurements of post employment benefit obligations	-	-	(1.6)	-	-	(1.6)
Decrease in fair value of available-for-sale financial assets	-	-	-	-	(5.9)	(5.9)
Release of deferred tax on excess depreciation over historical cost depreciation	-	2.3	-	-	-	2.3
Release on disposal of land	-	(4.0)	-	-	-	(4.0)
Translation reserve movement	-	-	-	16.5	-	16.5
Fair value movement on disposal of financial assets	-	-	-	-	1.1	1.1
Scrappings of revalued property, plant and equipment	-	(0.4)	-	-	-	(0.4)
Share of other comprehensive income of associates	(7.1)	-	-	-	-	(7.1)
Movements on reserves	-	(3.9)	-	-	-	(3.9)
At December 31, 2014	**(80.1)**	**4,414.9**	**(156.0)**	**15.7**	**(268.1)**	**3,926.4**

22. REVALUATION AND OTHER RESERVES (CONT'D)

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments that has been recognised in other comprehensive income until the investments are derecognised.

Translation reserve

The translation reserve consists of the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to the hedged transactions that have not yet occurred and of the foreign currency differences arising from the translation of the financial statements of foreign operations.

Amalgamation reserve

Amalgamation reserve represents the excess of assets over liabilities and reserves of subsidiaries following amalgamation.

Revaluation reserve

The revaluation surplus relates to the revaluation of property, plant and equipment.

Actuarial losses

The actuarial losses reserve represents the cumulative remeasurement of defined benefit obligation recognised.

23. BORROWINGS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Non-current				
Bank loans	**398.8**	378.3	**-**	-
Finance lease liabilities	**25.2**	32.9	**-**	-
Total non-current	**424.0**	411.2	**-**	-
Current				
Bank overdrafts	**251.0**	156.8	**3.6**	2.2
Bank loans	**1,293.6**	1,023.4	**-**	-
Loans from subsidiaries	**-**	-	**327.4**	204.4
Finance lease liabilities	**9.0**	8.6	**-**	-
	1,302.6	1,032.0	**327.4**	204.4
Total current	**1,553.6**	1,188.8	**331.0**	206.6
Total borrowings	**1,977.6**	1,600.0	**331.0**	206.6

23. BORROWINGS (CONT'D)

	Last repayment date	THE GROUP 2015 MUR'M	THE GROUP 2014 MUR'M	THE COMPANY 2015 MUR'M	THE COMPANY 2014 MUR'M
(a) Breakdown of loans					
Loan in EUR	2021	**434.5**	393.6	**-**	-
Bank loan	2016	**689.1**	994.5	**-**	-
Other short term loans	2016	**568.8**	-	**327.4**	204.4
VRS loan repayable half yearly		**-**	13.6	**-**	-
		1,692.4	1,401.7	**327.4**	204.4
Less: Repayable within one year		**(1,293.6)**	(1,023.4)	**(327.4)**	(204.4)
Repayable after one year		**398.8**	378.3	**-**	-

(b) The maturity of non-current loans is as follows:

	THE GROUP 2015 MUR'M	THE GROUP 2014 MUR'M
- after one year and before two years	**61.9**	60.4
- after two years and before three years	**61.9**	60.3
- after three years and before five years	**275.0**	257.6
	398.8	378.3

(c) Finance lease liabilities - minimum lease payments

	THE GROUP 2015 MUR'M	THE GROUP 2014 MUR'M
Not later than one year	**9.6**	10.0
After one year and before two years	**11.8**	10.4
After two years and before three years	**12.1**	15.7
After three years and before five years	**2.6**	9.1
	36.1	45.2
Future finance charges	**(1.9)**	(3.7)
Present value of finance lease liabilities	**34.2**	41.5

23. BORROWINGS (CONT'D)

(c) Finance lease liabilities - minimum lease payments (cont'd)

The present value of finance lease liabilities may be analysed as follows:

	THE GROUP 2015 MUR'M	THE GROUP 2014 MUR'M
Current		
Not later than one year	**9.0**	8.6
Non Current		
After one year and before two years	**8.6**	8.9
After two years and before three years	**11.3**	9.5
After three years and before five years	**5.3**	14.5
	25.2	32.9

The rate of interest on the finance leases varies between 2.75% - 5.50% (2014: 2.75% - 5.50%) during the year.

(d) The carrying amounts of non-current borrowings are not materially different from the fair value.

Non-current borrowings can be analysed as follows:

	THE GROUP 2015 MUR'M	THE GROUP 2014 MUR'M
- After one year and before two years		
Bank borrowings	**61.9**	60.4
Finance lease liabilities	**8.6**	8.9
	70.5	69.3
- After two years and before three years		
Bank borrowings	**61.9**	60.3
Finance lease liabilities	**11.3**	9.5
	73.2	69.8
- After three years and before five years		
Bank borrowings	**275.0**	257.6
Finance lease liabilities	**5.3**	14.5
	280.3	272.1
Total	**424.0**	411.2

(e) The rates of interest on MUR loans and other short term loans vary from 2.75% to 6.65% (2014: 3.7% to 8.0%) annually and on foreign currency loans - EUR from 4.20% to Libor 1 month + 4.25% (2014: 4.20% to Libor 1 month + 4.25%) annually.

(f) Borrowings are secured by fixed and floating charges on the assets of the borrowing entities.

24. DEFERRED INCOME

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
At January 1,	**2.1**	4.1
Release to profit or loss	**(2.1)**	(2.0)
At December 31,	**-**	2.1

Land leased out under long term lease are included in property, plant and equipment in the statement of financial position. Annual lease income is recognised as it accrues over the lease term. Upfront lump sum payment for long term lease is credited to deferred income and released to profit or loss on a straight line basis over 7/10 years or over the lease term if lower than 7/10 years.

25. RETIREMENT BENEFIT OBLIGATIONS G4-EC3

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Amount recognised in the statement of financial position :		
- Defined pension benefits	**583.4**	488.7
- Other post retirement benefits	**1.4**	1.4
	584.8	490.1
Amount charged to profit or loss:		
- Defined pension benefits	**52.6**	54.2
- Other post retirement benefits	**0.2**	0.2
	52.8	54.4
Amount charged/(credited) to other comprehensive income:		
- Defined pension benefits	**99.6**	(12.3)

(a) Defined pension benefits

(i) Retirement benefit obligations comprise of the company's pension schemes and of other post-retirement benefits. The pension schemes are defined benefit plans based on final salary and the assets of the plans are invested with the Sugar Insurance Pension Fund (SIPF) and a pension arrangement with Swan Life Ltd.

Other post-retirement benefits relate mainly to gratuities on death and on retirement that are based on length of service and salary at date of death or retirement.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at December 31, 2015 by Swan Life Ltd. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

25. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(ii) The amounts recognised in the statement of financial position are as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Present value of funded obligations	**1,051.2**	931.9
Fair value of plan assets	**(597.2)**	(557.3)
	454.0	374.6
Present value of unfunded obligations	**129.4**	114.1
Other post retirement benefits	**1.4**	1.4
Liability in the statement of financial position	**584.8**	490.1

The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
At January 1,	**490.1**	512.6
Charged to profit or loss	**52.8**	54.4
Charged/(credited) to other comprehensive income	**99.6**	(12.3)
Contribution paid	**(57.7)**	(64.6)
At December 31,	**584.8**	490.1

(iii) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
At January 1,	**1,046.0**	1,011.1
Current service cost	**17.8**	17.9
Interest cost	**73.2**	70.4
Employee's contribution	**2.5**	2.9
Past service cost	**-**	1.9
Actuarial losses/(gains)	**86.1**	(10.2)
Benefits paid	**(45.0)**	(48.0)
At December 31,	**1,180.6**	1,046.0

25. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(iv) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
At January 1,	**557.3**	499.8
Interest income	**38.9**	30.4
Expected return on plan assets	**-**	5.4
Actuarial (losses)/gains	**(13.5)**	3.9
Employers' contributions	**59.3**	65.8
Employee contributions	**2.5**	2.9
Scheme expenses	**(0.6)**	(0.9)
Benefits paid	**(44.5)**	(47.6)
Cost of insuring risk benefits	**(2.2)**	(2.4)
At December 31,	**597.2**	557.3

(v) The amounts recognised in profit or loss are as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Current service cost	**17.8**	17.9
Past service cost	**-**	1.9
Scheme expense	**0.6**	0.7
Cost of insuring risk benefits	**2.2**	2.4
Interest expense	**34.6**	31.5
Contributions by employer	**(2.4)**	-
Total included in employee benefit expense	**52.8**	54.4

(vi) The amounts recognised in other comprehensive income are as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Remeasurement on the net defined benefit liability:		
Gains on pension scheme assets	**(13.6)**	4.0
Experience (losses)/gains on the liabilities	**(48.9)**	8.3
Changes in assumption underlying the present value of the scheme	**(37.1)**	-
Actuarial (losses)/gains recognised in OCI	**(99.6)**	12.3

25. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(vii) The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Local equities	**123.7**	122.7
Overseas equities	**99.7**	94.2
Fixed interest	**205.9**	109.2
Properties	**88.1**	231.2
Qualifying insurance policies	**79.8**	-
Total market value of assets	**597.2**	557.3

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties and derivatives are not based on quoted market prices in active markets.

The company's ordinary shares are not included in the pension plan assets.

(viii) The principal actuarial assumptions used for the purposes of the actuarial valuation were:

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Discount rate	**7.0%**	7.0%
Expected rate return on plan asset	**7.0% - 8.5%**	7.0% - 8.5%
Future salary growth rate	**3.5% - 5.5%**	3.5% - 5.5%
Future pension growth rate	**2.0%**	2.0%

Sensitivity analysis on defined benefit obligations at end of the reporting date:

December 31, 2015	**Increase** **MUR'M**	Decrease MUR'M
(ix) Discount rate (1% movement)	**48.1**	107.5

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occuring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in th defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

25. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(x) The defined benefit pension plan exposes the company to actuarial risks, such as longevity risks, currency risk, interest rate risk and market risk.

(xi) The funding requirement are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xii) The Group is expected to contribute MUR'M 45.9 to the pension scheme for the year ending December 31, 2016.

(xiii) The actual return of the total assets for the year 2015 is MUR'M 25.1 (2014: MUR'M 39.6).

(xiv) The weighted average duration of the defined benefit obligation is 7 years at the end of the reporting period.

(b) Other post retirement benefits

Other post retirement benefits comprise mainly of gratuity on retirement payable under the Employment Rights Act 2008 and other benefits.

Movement in the other post retirement benefits

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
At January 1,	**1.4**	1.3
Total expense charged to profit or loss	**0.2**	0.2
Paid during the year	**(0.2)**	(0.1)
At December 31,	**1.4**	1.4

It has been assumed that the rate of future salary increases will be equal to the discount rate.

26. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade creditors	**365.6**	284.2	**1.2**	1.1
Provision for compensation payments for centralisation in accordance with the Blue Print provisions	**110.4**	115.6	**-**	-
Provision for VRS costs	**1.0**	0.8	**-**	-
Amounts due to subsidiaries	**-**	-	**20.7**	15.8
Other payables and accruals	**315.8**	274.8	**3.2**	2.6
	792.8	675.4	**25.1**	19.5

27. TAXATION

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
(a) Liability in the statements of financial position				
At January 1,	**17.6**	31.1	**0.1**	0.3
Under/(over) provision in previous year	**0.5**	(2.9)	**-**	(0.1)
Tax recovered	**2.2**	-	**-**	-
Tax paid on account	**(19.5)**	(28.2)	**(0.1)**	(0.2)
	0.8	-	**-**	-
Current tax on the adjusted profits for the year @ 15% (2014 : 15%)	**63.0**	48.5	**0.3**	0.1
Tax paid	**(35.0)**	(30.9)	**-**	-
At December 31,	**28.8**	17.6	**0.3**	0.1
(b) Charge in profit or loss				
Current tax on the adjusted profits for the year at 15% - 22% (2014 : 15% - 22%)	**63.0**	48.5	**0.3**	0.1
Under/(over) provision in previous years	**0.5**	(2.9)	**-**	(0.1)
Deferred taxation (note 15)	**(5.8)**	(11.6)	**-**	-
Charge for the year	**57.7**	34.0	**0.3**	-

The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit before taxation and after associates' results	**784.1**	466.2	**269.2**	228.9
Tax calculated at a rate of 15% - 22% (2014: 15% - 22%)	**117.6**	69.9	**40.4**	34.3
Income not subject to tax	**(88.5)**	(81.4)	**(45.3)**	(34.2)
Expenses not deductible for tax purposes	**23.0**	14.8	**5.2**	-
Tax losses for which no deferred tax asset was recognised	**5.1**	33.6	**-**	-
Over/(under) provision in previous years	**0.5**	(2.9)	**-**	(0.1)
	57.7	34.0	**0.3**	-

28. OTHER INCOME/(COSTS)

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Interest income	**6.4**	12.6	**-**	-
Dividend income	**6.8**	8.1	**-**	-
Investment income	**13.2**	20.7	**-**	-
Profit on disposal of property, plant and equipment/ non-current assets held for sale	**71.7**	31.5	**-**	-
Profit/(loss) on disposal of investments	**7.9**	6.7	**(2.9)**	6.7
Others	**96.8**	61.7	**-**	2.7
	189.6	120.6	**(2.9)**	9.4

29. PROFIT BEFORE FINANCE COSTS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
The profit before finance costs is arrived at after:				
Crediting:				
Rental of land and buildings	**72.4**	62.2	**-**	-
Profit on sale of property, plant and equipment/ non-current assets held for sale	**71.7**	31.5	**-**	-
Profit/(loss) on sale of investments	**7.9**	6.7	**(2.9)**	6.7
and charging:				
Depreciation on property, plant and equipment				
- owned assets	**245.8**	234.5	**-**	-
- leased assets	**7.7**	7.7	**-**	-
Depreciation on investment properties	**6.4**	6.4	**-**	-
Amortisation of bearer biological assets	**82.0**	83.3	**-**	-
Amortisation of intangible assets	**5.7**	5.3	**-**	-
Amortisation of VRS costs	**23.1**	23.2	**-**	-
Employee benefit expense (note 29(a))	**843.7**	813.9	**-**	-

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
(a) Employee benefit expense		
Wages, salaries and other costs	**790.1**	770.0
Pension costs	**53.6**	43.9
	843.7	813.9

30. EXPENSE BY NATURE

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Depreciation and amortisation	**370.7**	360.4	**-**	-
Raw materials and consumables used	**2,072.8**	1,861.7	**-**	-
Employee benefit expense	**843.7**	813.9	**-**	-
Cultivation and irrigation expenses	**116.2**	114.7	**-**	-
Others	**815.8**	802.0	**17.8**	18.1
Total cost of sales, administrative expenses, distribution costs and other expenses	**4,219.2**	3,952.7	**17.8**	18.1

31. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Fair value gains on derivatives	**(3.1)**	(0.8)	**-**	-
Net foreign exchange (gain)/loss	**(12.9)**	(0.8)	**0.1**	0.2
	(16.0)	(1.6)	**0.1**	0.2
Interest expense:				
- Bank overdrafts	**5.9**	9.0	**-**	-
- Loans repayable by instalments	**27.1**	15.3	**-**	-
- Other loans not repayable by instalments	**55.5**	44.1	**11.8**	12.1
	88.5	68.4	**11.8**	12.1
	72.5	66.8	**11.9**	12.3

32. EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2015	2014	**2015**	2014
		MUR'M	MUR'M	**MUR'M**	MUR'M
Profit attributable to equityholders		**597.1**	317.3	**268.9**	228.9
Number of ordinary shares in issue		**227.5**	227.5	**227.5**	227.5
Basic earnings per share	MUR	**2.62**	1.39	**1.18**	1.01

33. DIVIDENDS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**-**	-	**-**	-
Final ordinary declared - 85 cents per share (2014: 80 cents)	**193.4**	182.0	**193.4**	182.0
Dividends paid during the year	**(193.4)**	(182.0)	**(193.4)**	(182.0)
At December 31,	**-**	-	**-**	-

34. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	MUR'M	MUR'M	**MUR'M**	MUR'M
Cash in hand and at bank	**133.0**	115.2	**4.6**	10.8
Bank overdrafts	**(251.0)**	(156.8)	**(3.6)**	(2.2)
	(118.0)	(41.6)	**1.0**	8.6

35. SUBSIDIARIES

The financial statements of the following subsidiaries have been included in the consolidated financial statements.

			2015			**2014**			
	Type of shares held	Stated capital	**% holding**	**% held by other group companies**	**% held by non-controlling interests**	% holding	% held by other group companies	% held by non-controlling interests	Activity
		MUR							
Terra Milling Ltd	Ordinary	56,657,480	**-**	**80.00**	**20.00**	-	80.00	20.00	Sugar
Terragen Ltd	Ordinary	520,523,500	**-**	**51.00**	**49.00**	-	51.00	49.00	Energy
Terra Brands Ltd	Ordinary	24,342,000	**100.00**	**-**	**-**	100.00	-	-	Investment
Grays Inc. Ltd	Ordinary	83,280,000	**-**	**74.00**	**26.00**	-	74.00	26.00	Commercial
Grays Distilling Ltd	Ordinary	20,738,000	**-**	**66.67**	**33.33**	-	66.67	33.33	Manufacturing
Terra Services Ltd	Ordinary	25,000	**100.00**	**-**	**-**	100.00	-	-	Services
Ivoirel Limitée	Ordinary	35,130,000	**100.00**	**-**	**-**	100.00	-	-	Investment
Sagiterra Ltd	Ordinary	25,000	**100.00**	**-**	**-**	100.00	-	-	Property management
Société Proban	Parts	8,100,000	**83.34**	**-**	**16.66**	83.34	-	16.66	Investment
Eco-Energy	Ordinary	3,000,000	**-**	**80.00**	**20.00**	-	80.00	20.00	Commercial
East Indies Company SARL	Ordinary	4,061,000	**-**	**74.00**	**26.00**	-	74.00	26.00	Commercial
Terra Foundation	Ordinary	10,000	**100.00**	**-**	**-**	100.00	-	-	Social Activities
Fondation Nemours Harel	Ordinary	10,000	**75.00**	**-**	**25.00**	75.00	-	25.00	Cultural Activities
Societe Sphinx Gaze	Parts	16,525,000	**-**	**66.67**	**33.33**	-	66.67	33.33	Investment holding
Terrarock Ltd	Ordinary	15,000,000	**-**	**54.00**	**46.00**	-	54.00	46.00	Manufacturing
Terragri Ltd	Ordinary	722,455,070	**100.00**	**-**	**-**	100.00	-	-	Sugar
Terra Finance Ltd	Ordinary	500,000	**100.00**	**-**	**-**	100.00	-	-	Treasury
Terravest Holding Ltd	Ordinary	35	**100.00**	**-**	**-**	-	-	-	Investment
Sugarworld Limited	Ordinary	45,238,456	**95.24**	**-**	**4.76**	95.24	-	4.76	Commercial
Les Chais de L'Isle de France Ltée	Ordinary	3,000,000	**-**	**100.00**	**-**	-	100.00	-	Commercial
Terralogic Ltd	Ordinary	4,500,000	**-**	**100.00**	**-**	-	100.00	-	Computer/ICT
Aceter Global Ltd	Ordinary	4,000,000	**86.00**	**-**	**14.00**	79.00	-	21.00	Fund Management
Terragen Management Ltd	Ordinary	100,000	**-**	**61.75**	**38.25**	-	61.75	38.25	Services
AG Holdings Ltd	Ordinary	25,000	**-**	**100.00**	**-**	100.00	-	-	Fund Management
Intendance Holding Ltd	Ordinary	1,648,000	**100.00**	**-**	**-**	100.00	-	-	Investment Holding

(a) These subsidiaries are incoporated in Mauritius. They also operate in Mauritius except for the following subsidiaries:
(i) Ivoirel Limitée, whose country of operation is Côte d'Ivoire;
(ii) East Indies Company, whose country of operation is Madagascar.

35. SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests

Details for subsidiaries that have non-controlling interests that are material to the entity:

Name	Profit/(loss) allocated to Non-controlling interests during the year	Accumulated Non-controlling interests at Dec 31,
	MUR'M	MUR'M
2015		
Terragen Ltd	**97.7**	**744.6**
Terra Milling Ltd	**(0.3)**	**75.6**
Grays Inc. Ltd	**20.2**	**94.3**
2014		
Terragen Ltd	96.6	734.0
Terra Milling Ltd	(2.2)	80.8
Grays Inc. Ltd	16.0	87.8

---

35. SUBSIDIARIES (CONT'D)

(c) Summarised financial information on subsidiaries with non-controlling interests

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss) from continuing operations	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non-controlling interests
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
2015									
Terragen Ltd	**466.9**	**1,436.1**	**188.5**	**195.0**	**1,131.3**	**199.3**	**(1.9)**	**197.4**	**(85.8)**
Terra Milling Ltd	**397.5**	**918.5**	**426.4**	**511.8**	**488.3**	**(1.5)**	**(25.3)**	**(26.8)**	**-**
Grays Inc. Ltd	**858.6**	**139.0**	**554.8**	**79.9**	**1,648.6**	**77.7**	**(11.0)**	**66.7**	**(8.9)**
2014									
Terragen Ltd	516.1	1,347.3	174.0	192.3	1,133.2	201.4	(0.8)	200.6	(85.8)
Terra Milling Ltd	352.2	925.1	410.8	462.7	450.2	(11.2)	19.0	7.8	-
Grays Inc. Ltd	675.8	125.6	408.7	63.3	1,375.6	46.3	8.0	54.3	(8.6)

(ii) Summarised cash flow information:

Name	Operating activities	Investing activities	Financing activities	Net (decrease)/ increase in cash and cash equivalents
	MUR'M	MUR'M	MUR'M	MUR'M
2015				
Terragen Ltd	**329.9**	**(157.3)**	**(175.0)**	**(2.3)**
Terra Milling Ltd	**(53.3)**	**(53.7)**	**101.6**	**(5.4)**
Grays Inc. Ltd	**19.4**	**(37.3)**	**(14.3)**	**(32.2)**
2014				
Terragen Ltd	225.5	(38.5)	(222.3)	(35.3)
Terra Milling Ltd	12.4	(60.6)	8.7	(39.5)
Grays Inc. Ltd	(73.9)	(19.5)	106.7	13.3

The summarised financial information above is the amount before intra-group eliminations.

36. ASSOCIATES

(a) Summarised financial information in respect of each of the material associates is set out below.

2015	Assets	Liabilities	Revenues	Profit/(loss)	2015 % holding	Financial period ended
	MUR'M	MUR'M	MUR'M	MUR'M		
Alcohol & Molasses Export Ltd	**146.7**	**85.9**	**300.8**	**73.9**	**41.87**	June 30,
Anytime Investment Ltd	**50.9**	**-**	**-**	**-**	**24.50**	June 30,
Coal Terminal (Management) Co Ltd	**42.4**	**39.7**	**63.8**	**0.4**	**15.43**	December 31,
Providence Warehouse Co Ltd	**110.0**	**62.2**	**164.7**	**9.5**	**18.50**	December 31,
Horus Ltée	**144.8**	**1.9**	**-**	**(0.3)**	**50.00**	June 30,
Swan General Ltd (previously known as Swan Insurance Company Ltd)	**4,058.9**	**2,075.0**	**1,001.6**	**250.3**	**34.03**	December 31,
Les Domaines de Mauricia Limitée	**5.7**	**4.3**	**1.5**	**0.9**	**50.00**	December 31,
New Fabulous Investment Ltd	**50.9**	**-**	**-**	**-**	**24.50**	June 30,
New Goodwill Co Ltd	**282.8**	**116.6**	**1,770.3**	**99.8**	**33.33**	June 30,
Rehm Grinaker Construction Co Ltd	**625.5**	**640.1**	**886.5**	**(22.9)**	**35.49**	June 30,
Rehm Grinaker Properties Co Ltd	**173.4**	**110.7**	**14.3**	**6.5**	**35.49**	June 30,
Topterra Ltd	**105.6**	**72.2**	**31.4**	**(6.0)**	**50.00**	June 30,
Commada Ltd	**293.1**	**133.9**	**-**	**5.7**	**50.00**	December 31,
Distillerie de Bois Rouge Ltd	**4.2**	**9.5**	**-**	**(0.4)**	**33.33**	July 31,
Sucrivoire S.A	**4,412.3**	**1,518.2**	**2,764.4**	**345.0**	**25.50**	December 31,
United Investment Limited	**3,268.2**	**1,281.7**	**34.9**	**171.0**	**29.03**	June 30,
Terravest Limited	**660.8**	**337.0**	**541.6**	**(14.0)**	**27.70**	December 31,

(b) For associates with year ended June 30, and July 31, the management accounts at December 31, 2015 have been used to calculate the share of profit and net assets.

36. ASSOCIATES (CONT'D)

(c) Summarised financial information in respect of each of the material associates is set out below.

2014	Assets	Liabilities	Revenues	Profit/(loss)	2014 % holding	Financial period ended
	MUR'M	MUR'M	MUR'M	MUR'M		
Alcohol & Molasses Export Ltd	248.7	214.8	317.8	44.8	41.87	June 30,
Anytime Investment Ltd	44.5	-	-	-	24.50	June 30,
Coal Terminal (Management) Co Ltd	24.9	22.7	61.6	0.5	15.43	December 31,
Providence Warehouse Co Ltd	50.5	39.6	133.2	7.0	18.50	December 31,
Horus Ltée	119.7	1.4	-	-	50.00	June 30,
Swan Insurance Company Ltd	4,477.8	2,286.4	3,428.4	242.0	34.03	December 31,
Les Domaines de Mauricia Limitée	4.5	0.4	2.4	1.1	50.00	December 31,
New Fabulous Investment Ltd	44.5	-	-	-	24.50	June 30,
New Goodwill Co Ltd	263.5	117.4	1,742.3	96.5	33.33	June 30,
Rehm Grinaker Construction Co Ltd	651.6	639.5	1,202.6	11.7	35.49	June 30,
Rehm Grinaker Properties Co Ltd	171.5	115.2	14.4	11.2	35.49	June 30,
Bureaux Reunis Ltee	3.3	0.4	2.1	1.4	50.00	June 30,
Topterra Ltd	106.8	75.6	31.8	(0.8)	50.00	June 30,
Commada Ltd	261.6	130.0	-	25.8	50.00	December 31,
Distillerie de Bois Rouge Ltd	4.5	9.4	-	(0.3)	33.33	July 31,
Sucrivoire S.A	1,155.5	478.9	824.5	362.8	25.50	December 31,
United Investment Limited	2.7	0.8	49.3	153.0	29.03	June 30,

For associates with year ended June 30, and July 31, the management accounts at December 31, 2014 have been used to calculate the share of profit and net assets.

The Group accounts for its investment in Coal Terminal (Management) Co Ltd and Providence Warehouse Co Ltd as an associate although the Group holds less than 20% of the issued share capital as the Group has the ability to exercise significant influence over the investment due to the Group's representation on the board of directors of these associated companies.

37. CAPITAL COMMITMENTS

	THE GROUP	
	2015	2014
	MUR'M	MUR'M
Capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements is as follows:		
Property, plant and equipment	**51.6**	80.1

38. ULTIMATE HOLDING ENTITY

The Board of Directors considers Société de Nemours, constituted in Mauritius, as the ultimate holding entity of Terra Mauricia Ltd.

39. RELATED PARTY TRANSACTIONS

(i) THE GROUP	**Remuneration**	**Purchases of services**	**Sales of services and others**	**Management fees receivable**	**Throughput and storage fees payable**	**Amount receivable**	**Amount payable**
2015	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Associates	**-**	**37.3**	**5.9**	**21.0**	**17.7**	**35.5**	**-**
Key management personnel	**102.4**	**-**	**-**	**-**	**-**	**-**	**-**
Enterprises with common directors	**-**	**44.7**	**-**	**-**	**-**	**0.3**	**-**

	Remuneration	Purchases of services	Sales of services and others	Management fees receivable	Throughput and storage fees payable	Amount receivable	Amount payable
2014	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Associates	-	39.2	-	23.3	15.7	33.8	-
Key management personnel	81.7	-	-	-	-	-	-
Enterprises with common directors	-	36.2	-	-	-	1.4	0.4

(ii) THE COMPANY	**Remuneration**	**Amount receivable**	**Amount payable**
2015	**MUR'M**	**MUR'M**	**MUR'M**
Associates	**-**	**35.5**	**-**
Key management personnel	**2.2**	**-**	**-**
Subsidiaries	**-**	**0.3**	**348.1**

	Remuneration	Amount receivable	Amount payable
2014	MUR'M	MUR'M	MUR'M
Associates	-	33.8	-
Key management personnel	2.2	-	-
Subsidiaries	-	0.3	220.2

39. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		**THE COMPANY**	
	2015	2014	**2015**	2014
(iii) Key management personnel	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Salaries and short term employee benefits	**96.9**	76.5	**-**	-
Other benefits	**5.5**	5.2	**-**	-
	102.4	81.7	**-**	-

(iv) The transactions to and from related parties are made at normal market prices. There has been no guarantees provided or received for any related party receivables or payables and outstanding balances at year end are unsecured. For the year ended December 31, 2015, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2014: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Intercompany receivables and payables carries interest at market rate.

40. CONTINGENT LIABILITIES

(a) Court cases

(i) Previous distillers

An agreement was reached in 1979 between five enterprises (including a subsidiary of the group) for the sale and sharing thereof of alcohol produced from molasses and sold in Mauritius. The agreement was terminated in 2000. There is currently a dispute over the compensation payable upon termination to two partners, who are claiming MUR 58.4 million from the other partners, (including a subsidiary of the Group). A ruling was delivered in August 2012 by the Judge of the Commercial Court to the effect that the matter should be referred to arbitration. However, the parties have given notice of appeal of that judgement. The appeal was called in March 2014, when some points of laws were raised. On November 20, 2014 arguments were heard on the points of law and the judge has delivered his ruling on December 11, 2015, allowing the appeal to procede. At this stage, the outcome of the appeal is still uncertain.

(ii) Ex-employees of Beau Plan Sugar Factory

There is currently a claim to a subsidiary for damages from ex-employees of Beau Plan Sugar Factory for MUR 130.0M in respect of breach of contract. The court case is still ongoing.

(iii) Irrigation Authority

There is a dispute in respect of irrigation dues by Terragri Ltd for the period 2005 to 2015 amounting to MUR 36.1M. The matter has been referred to an Arbitration Board as provided by the water supply agreement existing between the Irrigation Authority and the Company.

(iv) Registrar General - Supreme Court

Several appeals have been made in relation to assessments made by the Registrar General for an amount of MUR 1.28M following sales of lands. These assessments are being contested by Terragri Ltd (Formerly Harel Frères Ltd). The cases are still ongoing.

40. CONTINGENT LIABILITIES (CONT'D)

(a) Court cases (cont'd)

(v) Bon Espoir

Mr Joseph Yencana has entered a claim against Terragri Ltd for an amount of MUR 175M regarding of damages and prejudice in respect of a plot land of 22 arpents 25 perches at Bon Espoir, for which the plaintiff is claiming ownership. The directors believe that there are no valid grounds for entertaining this case.

(vi) Dissenting shareholders

Following the special meeting of Harel Frères Limited (now Terragri Ltd) held on 23 November 2011 at which the shareholders of Terragri Ltd approved a scheme of arrangement under sections 261 to 264 of the Companies Act 2001 (the "Scheme") pursuant to which the shares of Terragri Ltd were, on 01 January 2012, exchanged for shares of Terra Mauricia Ltd ("Terra") in the ratio of 1:1, that is one (1) ordinary share of Terra for one (1) ordinary share of Terragri Ltd, certain dissenting shareholders (the "Dissenting Shareholders"), representing some 6.4% of the share capital have initiated legal proceedings against Terragri Ltd and Terra. The Dissenting Shareholders claim that they have been unfairly prejudiced by the Scheme and have applied for an order of the court requiring the buy back of their shares at fair value or the payment of compensation in a sum in excess of MUR 64 per share held by them. Terragri Ltd and Terra have been advised that the claim of the Dissenting Shareholders is misconceived. Counsel has further opined that the claim amounts to an abuse of process of the court. The claim of the Dissenting Shareholders has been resisted both by Terragri Ltd and Terra. The matter has been heard by the Bankruptcy Division of the Supreme Court of Mauritius and a judgement was issued on 11 February 2014. The Supreme Court dismissed the applications with costs and confirmed that the claim amounted to an abuse of the process of the court. Some of the dissenting shareholders have given notice of appeal, which is being resisted. The appeal, which was scheduled to be heard on May 25, 2015 has been postponed to July 11, 2016.

(vii) The Mauritius Revenue Authority (MRA)

In October 2011 the MRA raised assessments totaling MUR 30.9M in respect of corporate tax on Mauricia Limitee which was subsequently amalgamated with Terragri Ltd (formerly Harel Frères Limited). An amount of MUR 9.3M, representing the statutory 30% payment, was paid when objections were made against the assessments. However, the assessments were maintained by the MRA and subsequently representations were lodged with the Assessment Review Committee. The case is still ongoing.

(viii) Breach of contract

A subsidiary has claimed an amount of MUR 1.8M to one of its clients in respect of overdue selling fees. The client has submitted a counterclaim of MUR 60M to the subsidiary for breach of contract and damages. The dispute is still pending.

(b) Bank guarantees

In the ordinary course of business, the Group had contingent liabilities in respect of bank guarantees amounting to MUR'M Nil (2014: MUR 3.8M) as at December 31, 2015.

41. SEGMENT INFORMATION G4-9

(a) Year ended December 31, 2015

	Sugar	Energy	Brands	Others	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	**1,109.7**	**1,131.3**	**1,857.1**	**247.5**	**4,345.6**
Intersegment sales	**(40.5)**	**(12.9)**	**-**	**(9.5)**	**(62.9)**
Revenues from external customers	**1,069.2**	**1,118.4**	**1,857.1**	**238.0**	**4,282.7**
Segment (loss)/profit	**(8.9)**	**240.8**	**114.9**	**56.7**	**403.5**
Share of results of associates	**88.0**	**-**	**32.4**	**166.6**	**287.0**
Reversal of impairment of associate	**166.1**	**-**	**-**	**-**	**166.1**
Finance (costs)/income	**(59.7)**	**(6.6)**	**1.7**	**(7.9)**	**(72.5)**
Profit before taxation	**185.5**	**234.2**	**149.0**	**215.4**	**784.1**
Taxation	**4.4**	**(36.2)**	**(19.6)**	**(6.3)**	**(57.7)**
Profit after taxation	**189.9**	**198.0**	**129.4**	**209.1**	**726.4**
Non-controlling interests					**(129.3)**
Profit attributable to equity holders of the company					**597.1**

Year ended December 31, 2014	Sugar	Energy	Brands	Others	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	1,022.4	1,133.7	1,593.0	225.6	3,974.7
Intersegment sales	(42.2)	(13.9)	-	(13.2)	(69.3)
Revenues from external customers	980.2	1,119.8	1,593.0	212.4	3,905.4
Segment (loss)/profit	(270.2)	250.4	68.9	21.1	70.2
Share of results of associates	92.5	-	33.6	170.4	296.5
Reversal of impairment of associate	166.3	-	-	-	166.3
Finance (costs)/income	(59.1)	(1.1)	(6.7)	0.1	(66.8)
(Loss)/profit before taxation	(70.5)	249.3	95.8	191.6	466.2
Taxation	13.3	(36.4)	(6.2)	(4.7)	(34.0)
(Loss)/profit after taxation	(57.2)	212.9	89.6	186.9	432.2
Non-controlling interests					(114.9)
Profit attributable to equity holders of the company					317.3

41. SEGMENT INFORMATION (CONT'D)

(b) Year ended December 31, 2015

	Sugar MUR'M	Energy MUR'M	Brands MUR'M	Others MUR'M	Group MUR'M
Interest revenue	**0.7**	**0.8**	**-**	**4.9**	**6.4**
Interest expense	**(59.3)**	**(3.1)**	**(11.5)**	**(14.6)**	**(88.5)**
Cost of sales	**(1,032.3)**	**(797.7)**	**(1,372.8)**	**(129.8)**	**(3,332.6)**
Segment assets	**14,581.2**	**1,811.6**	**1,158.8**	**259.0**	**17,810.6**
Associates	**738.0**	**-**	**77.3**	**2,127.2**	**2,942.5**
Other assets	**167.9**	**12.1**	**-**	**555.9**	**735.9**
Segment liabilities	**871.1**	**159.7**	**351.8**	**50.5**	**1,433.1**
Borrowings	**1,264.6**	**-**	**369.3**	**343.7**	**1,977.6**
Other liabilities	**39.5**	**191.4**	**10.7**	**6.5**	**248.1**
Capital expenditure	**238.0**	**35.8**	**49.1**	**21.1**	**344.0**
Depreciation and amortisation	**(246.5)**	**(66.7)**	**(40.2)**	**(17.3)**	**(370.7)**

Year ended December 31, 2014	Sugar MUR'M	Energy MUR'M	Brands MUR'M	Others MUR'M	Group MUR'M
Interest revenue	11.5	0.7	0.1	0.3	12.6
Interest expense	(26.4)	(3.0)	(4.7)	(34.3)	(68.4)
Cost of sales	(1,001.6)	(803.7)	(1,203.8)	(112.8)	(3,121.9)
Segment assets	14,559.3	1,714.3	983.7	231.6	17,488.9
Associates	535.3	-	70.5	1,647.0	2,252.8
Other assets	170.0	7.1	-	546.6	723.7
Segment liabilities	743.2	149.6	236.3	31.8	1,160.9
Borrowings	1,291.3	-	239.8	68.9	1,600.0
Other liabilities	47.1	192.5	1.1	4.4	245.1
Capital expenditure	244.1	38.9	42.8	12.9	338.7
Depreciation and amortisation	(242.1)	(63.8)	(36.4)	(18.1)	(360.4)

The Group is organised into the following main business segments :-

Sugar	- Cane growing and milling activities
Commercial and Alcohol production	- Manufacturing, bottling and retailing of alcohol products and sale of consumable goods
Energy	- Production and sale of electricity from coal and bagasse

Other operations of the Group mainly comprise of the manufacture and sale of building materials, rental of properties, property development services, none of which constitute a separately reportable segment.

41. SEGMENT INFORMATION (CONT'D)

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, cash and cash equivalents and receivables and exclude investments in associates and others.

Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

(c) Geographical segments

The Group's three business segments are managed locally and operate in the following main geographical areas:

	Sales		Total assets		Capital expenditure	
	2015 **MUR'M**	2014 MUR'M	**2015** **MUR'M**	2014 MUR'M	**2015** **MUR'M**	2014 MUR'M
Mauritius	**4,261.7**	3,882.1	**20,751.1**	19,923.7	**344.0**	338.7
Côte d'Ivoire	**21.0**	23.3	**737.9**	541.7	**-**	-
	4,282.7	3,905.4	**21,489.0**	20,465.4	**344.0**	338.7

Sales revenue is based on the country in which the customer is located. Total assets and capital expenditure are shown by the geographical area in which the assets are located.

	THE GROUP		THE COMPANY	
	2015 **MUR'M**	2014 MUR'M	**2015** **MUR'M**	2014 MUR'M
Analysis of sales				
Sale of sugar, molasses and bagasse	**1,069.2**	980.2	**-**	-
Sale of electricity	**1,118.4**	1,119.8	**-**	-
Sale of goods	**1,857.1**	1,593.0	**-**	-
Revenue from services	**238.0**	212.4	**-**	-
Dividend income	**-**	-	**301.8**	249.9
	4,282.7	3,905.4	**301.8**	249.9

For revenue recognition see note 2.26.

42. COMPENSATION FROM THE SUGAR INSURANCE FUND BOARD (SIFB)

	THE GROUP	
	2015 **MUR'M**	2014 MUR'M
Compensation from the SIFB	**99.9**	100.6

THREE YEAR SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES - THE GROUP

	THE GROUP		
	2015 **MUR'M**	2014 MUR'M	2013 Restated MUR'M
STATEMENT OF PROFIT OR LOSS			
Turnover	**4,282.7**	3,905.4	4,078.0
Profit before taxation, exceptional items and associates' results	**331.0**	3.4	280.4
Reversal of impairment of associate	**166.1**	166.3	-
Share of results of associates	**287.0**	296.5	232.3
Taxation	**(57.7)**	(34.0)	(46.6)
Profit after taxation	**726.4**	432.2	466.1
Profit attributable to:			
Owners of the parent	**597.1**	317.3	358.8
Non Controlling interests	**129.3**	114.9	107.3
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit after taxation	**726.4**	432.2	466.1
Other comprehensive income for the year net of tax	**(50.5)**	18.5	(180.8)
Total comprehensive income	**675.9**	450.7	285.3
Total comprehensive income attributable to:			
Owners of the parent	**556.3**	330.8	192.4
Non controlling interests	**119.6**	119.9	92.9
	675.9	450.7	285.3
Percentage of profit on shareholders' interest (%)	**3.5**	1.9	2.2
Earnings per share (MUR)	**2.62**	1.39	1.58
Dividends proposed and paid	**193.4**	182.0	182.0
Dividend per share (MUR)	**0.9**	0.8	0.8
Dividend cover (times)	**3.1**	1.7	2.0
Net assets per share (MUR)	**74.1**	72.5	71.9
Weighted number of ordinary shares used in calculation (M)	**227.5**	227.5	227.5
Number of ordinary shares at end of year (M)	**227.5**	227.5	227.5
STATEMENTS OF FINANCIAL POSITION			
Non-current assets	**18,972.0**	18,223.7	17,829.5
Current assets	**2,401.1**	2,095.4	2,267.6
Non-current assets classified as held-for-sale	**115.9**	146.3	85.0
Total assets	**21,489.0**	20,465.4	20,182.1
Owners' interest	**16,855.1**	16,501.9	16,354.7
Non Controlling interests	**975.1**	957.5	945.9
Non-current liabilities	**1,281.7**	1,117.8	783.2
Current liabilities	**2,375.2**	1,881.8	2,091.9
Liabilities directly associated with non-current assets held for sale	**1.9**	6.4	6.4
Total equity and liabilities	**21,489.0**	20,465.4	20,182.1

DIRECTORS OF SUBSIDIARY COMPANIES

(pursuant to Section 221 of the Companies Act 2001)

Subsidiary Companies **Directors**	AceTer Global Ltd	AG Holdings Ltd	East Indies Company	Grays Distilling Ltd	Grays Inc. Ltd	Intendance Holding Ltd	Ivoirel Ltee	Les Chais de L'Isle De France Ltee	Sagiterra Ltd	Sugarworld Limited	Terra Brands Ltd	Terra Finance Ltd	Terra Foundation	Terravest Holding Ltd	Terra Milling Ltd	Terra Services Ltd	Terragen Ltd	Terragen Management Ltd	Terragri Ltd	Terralogic Ltd	Terrarock Ltd
Kavita Achameesing																	✓	✓			
Premsagar Bholah										✗							✗	✗			
François Boullé																					✓
Jocelyn de Chasteauneuf					✓																
Louis Decrop																		✓			
Bernard Desvaux de Marigny									✓												
Jean Claude Desvaux de Marigny															✓						
Maurice de Marassé Enouf				✓	✓						✓				✓				✓		
Roland Fok Seung			✓																		
Dominique de Froberville									✓										✓		
Rémi Brousse de Gersigny																					✓
Jean Michel Giraud																					✗
Edwige Gufflet										✓											
Alexis Harel			✓	✓	✓	✓		✓			✓		✓		✓				✓	✓	
Henri Harel	✓	✓		✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		
Hubert Harel																			✓		
Jérôme Jaen																	✓				
Nessa Joomun															✓						
Louis Denis Koenig				✓		✓			✓	✓		✓				✓					
Regis Koon Kam King				✓																	
Reynolds Laguette															✓						
Pascal Langeron																	✓	✓			
Edouard Lee				✓																	
Jacques Li Wan Po				✓																	
Nicolas Maigrot									✓												
Sébastien Mamet	✓	✓												✓							
Noufail Manjoo	✓	✓																			
Cyril Mayer	✓	✓		✓	✓	✓	✓		✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
François Montocchio																			✓		
Daniel Nairac												✓	✓						✓		
Nardus Oosthuizen					✓																
Jean Arthur Pilot Lagesse							✓			✓					✓		✓	✓			✓
Christophe Quevauvilliers																					✓
Khemlall Ramyad															✓						
Bernard Robert																	✓	✓			
Vincent Rogers																					✓
George Schooling					✓																
Omduthsing Sookaye										✓							✓	✗			
Nikhil Treebhoohun																			✓		
Stéphane Ulcoq																					✓
Alain Vallet				✓	✓	✓		✓	✓	✓	✓		✓		✓		✓		✓	✓	✓
Margaret Wong Ping Lun																			✓		
Alternate Director																					
Didier Vallet																					✓

✓	In office at December 31, 2015
✗	Ceased to hold office during the year ended December 31, 2015

Annexes

Annex 1 - Workforce data

Table 1.1: Total workforce by employees and supervised workers (by gender, employment type and contract)

	G4-10		Grays Inc. Ltd	Grays Distilling Ltd	Terra Milling Ltd	Terragri Ltd	Terragen Ltd	Sagiterra Ltd	Sugarworld Ltd	Terra Services Ltd	Terragri Ltd Head Office	AceTer Global Ltd	Terra Finance Ltd	Terrarock Ltd
Total workforce	Total Employees		524	44	468	818	49	17	55	23	15	9	2	43
	Employees (Staff)	M	65	7	31	35	22	8	4	9	1	0	1	3
		F	92	1	3	9	2	4	3	7	2	6	0	2
	Employees (Manager)	M	9	1	7	12	5	2	2	5	7	2	1	0
		F	6	0	0	1	1	0	6	1	1	0	0	0
	Employees (Operatives)	M	274	35	404	743	19	3	24	1	3	0	0	38
		F	78	0	23	18	0	0	16	0	1	1	0	0
	Total Supervised workers		9	1	0	0	1	0	4	0	0	0	0	3
	Supervised workers	M	3	0	0	0	0	0	2	0	0	0	0	3
		F	6	1	0	0	1	0	2	0	0	0	0	0
Employees by employment contract	Permanent	M	329	43	149	425	46	12	29	15	11	2	2	41
		F	174	1	1	24	3	4	25	8	4	6	0	2
	Fixed term	M	0	0	293	365	0	1	1	0	0	0	0	0
		F	0	0	25	4	0	0	0	0	0	1	0	0
	Temporary	M	19	0	0	0	0	0	0	0	0	0	0	0
		F	2	0	0	0	0	0	0	0	0	0	0	0
Permanent employees by employment type	Full-time	M	329	43	149	425	46	12	29	15	11	2	2	41
		F	174	1	1	23	3	4	25	7	3	6	0	2
	Part-time	M	0	0	0	0	0	0	0	0	0	0	0	0
		F	0	0	0	1	0	0	0	1	1	0	0	0
Percentage of total employees covered by collective bargaining agreements	G4-11		1.9%	32.6%	100%	97.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.0%

M = Male F = Female

Annexes (cont'd)

Annex 1 - Workforce data (cont'd)

Table 1.2: Total number of new employee hires by age group and gender G4-LA1

Age group and gender	Grays Inc. Ltd		Grays Distilling Ltd		Terra Milling Ltd		Terragri Ltd		Terragen Ltd		Sagiterra Ltd		Sugarworld Ltd		Terra Services Ltd		Terragri Ltd Head Office		AceTer Global Ltd		Terra Finance Ltd		Terrarock Ltd	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
18 - 24 yrs	52	7	1	0	1	0	0	0	0	0	0	0	1	3	0	0	0	0	0	2	0	0	0	0
25 - 34 yrs	22	11	1	0	2	1	0	0	2	0	0	0	5	2	3	0	0	0	0	3	0	0	0	0
35 - 44 yrs	11	8	0	0	0	0	0	0	0	0	1	0	3	2	1	0	0	0	1	1	0	0	0	0
45 - 54 yrs	9	2	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	1	0	0	0	0
55+	0	1	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

M = Male F = Female

Table 1.3: Rate of new employee hires by age group and gender (in %) G4-LA1

Age group and gender	Grays Inc. Ltd		Grays Distilling Ltd		Terra Milling Ltd		Terragri Ltd		Terragen Ltd		Sagiterra Ltd		Sugarworld Ltd		Terra Services Ltd		Terragri Ltd Head Office		AceTer Global Ltd		Terra Finance Ltd		Terrarock Ltd	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
18 - 24 yrs	9%	1%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	5%	0%	0%	0%	0%	0%	22%	0%	0%	0%	0%
25 - 34 yrs	4%	2%	2%	0%	0%	0%	0%	0%	4%	0%	0%	0%	9%	4%	14%	0%	0%	0%	0%	33%	0%	0%	0%	0%
35 - 44 yrs	2%	1%	0%	0%	0%	0%	0%	0%	0%	0%	6%	0%	5%	4%	5%	0%	0%	0%	11%	11%	0%	0%	0%	0%
45 - 54 yrs	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	5%	0%	0%	0%	11%	11%	0%	0%	0%	0%
55+	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

M = Male F = Female

Annexes (cont'd)

Annex 1 - Workforce data (cont'd)

Table 1.4: Total number of employee turnover by age group and gender G4-LA1

Age group and gender	Grays Inc. Ltd		Grays Distilling Ltd		Terra Milling Ltd		Terragri Ltd		Terragen Ltd		Sagiterra Ltd		Sugarworld Ltd		Terra Services Ltd		Terragri Ltd Head Office		AceTer Global Ltd		Terra Finance Ltd		Terrarock Ltd	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
18 - 24 yrs	28	2	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	0	0	0	0	0	1	0
25 - 34 yrs	13	11	1	0	2	0	0	0	0	0	0	0	6	1	1	0	0	0	0	1	0	0	5	0
35 - 44 yrs	7	3	0	0	1	0	1	0	0	0	2	0	3	1	1	0	0	0	0	0	0	0	13	2
45 - 54 yrs	4	3	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0
55+	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	0

M = Male F = Female

Table 1.5: Rate of employee turnover by age group and gender (in %) G4-LA1

Age group and gender	Grays Inc. Ltd		Grays Distilling Ltd		Terra Milling Ltd		Terragri Ltd		Terragen Ltd		Sagiterra Ltd		Sugarworld Ltd		Terra Services Ltd		Terragri Ltd Head Office		AceTer Global Ltd		Terra Finance Ltd		Terrarock Ltd	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
18 - 24 yrs	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	4%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%
25 - 34 yrs	2%	2%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	11%	2%	5%	0%	0%	0%	0%	11%	0%	0%	11%	0%
35 - 44 yrs	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	13%	0%	5%	2%	5%	0%	0%	0%	0%	0%	0%	0%	28%	4%
45 - 54 yrs	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	22%	0%
55+	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	26%	0%

M = Male F = Female

Annexes (cont'd)

Annex 1 - Workforce data (cont'd)

Table 1.6: Type and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities by gender G4-LA6

Employees		Grays Inc. Ltd		Grays Distilling Ltd		Terra Milling Ltd		Terragri Ltd		Terragen Ltd		Sagiterra Ltd		Sugarworld Ltd		Terra Services Ltd		Terragri Ltd Head Office		Terra Finance Ltd		AceTer Global Ltd		Terrarock Ltd	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Types of injury	Superficial injuries and open wounds	10	3	1	0	27	0	45	1	6	0	0	0	2	0	0	0	0	0	0	0	0	0	3	0
	Fractures	2	1	0	0	4	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Dislocations, sprains & strains	3	0	0	0	12	2	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
	Traumatic amputations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Concussion & internal injuries	0	0	0	0	9	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Burns	0	0	0	0	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other types of injury	4	0	0	0	8	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rates	Injury rate	17.00	4.47	10.40	0.00	64.60	1.90	31.70	0.63	9.67	0.00	0.00	0.00	15.80	0.00	0.00	0.00	52.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Occupational diseases rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Lost day rate	0.12	0.03	0.00	0.00	0.44	0.04	0.17	0.01	0.01	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Absentee rate (%)	2.20	2.80	3.50	1.20	1.80	0.87	1.39	1.93	2.22	0.02	1.38	0.81	1.59	0.59	0.90	1.30	0.60	0.90	0.20	0.00	0.00	1.00	0.00	0.00
Fatalities	Work-related fatalities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 1.7: Average hours of training per year per employee by gender and by employee category G4-LA9

Employee category	Gender	Grays Inc. Ltd	Grays Distilling Ltd	Terra Milling Ltd	Terragri Ltd	Terragen Ltd	Sagiterra Ltd	Sugarworld Ltd	Terra Services Ltd	Terragri Ltd Head Office	AceTer Global Ltd	Terra Finance Ltd	Terrarock Ltd
Management	M	77	60	17	29	57	58	25	17	19	16	0	0
	F	70	0	0	21	13	0	25	32	35	0	0	0
Staff	M	8	11	9	15	36	14	5	28	0	0	0	0
	F	9	3	1	2	6	34	2	22	17	11	0	0
Operatives	M	2	1	1	3	26	2	2	3	3	0	0	0
	F	2	0	0	1	0	0	0	0	3	0	0	0

M = Male F = Female

Annexes (cont'd)

Annex 2 - Associated process materials by weight or volume G4-EN1

Non-renewable associated process materials		2015	2014	2013
Terragri Ltd	Herbicides, in tonnes	34.72	34.10	20.76
	Herbicides, in m^3	34.11	29.80	34.54
	Diesel for Terra Milling Ltd, in m^3	248.59	259.70	496.98
	Diesel for Terragen Ltd, in m^3	177.47	145.20	343.25
Terra Milling Ltd	Chemicals used in the sugar manufacturing process, in tonnes	1,273.10	1,187.50	1,314.40
Terragen Ltd	Chemicals for water treatment, in tonnes	298.00	190.00	277.84
Grays Distilling Ltd	Chemicals used in boiler and distillation processes, in tonnes	158.97	58.15	72.34
Grays Inc. Ltd	Chemicals, in m^3	9.61	14.61	18.81
	Glass bottles, in tonnes	1,753.68	1,923.14	1,656.36
	Materials such as cardboard boxes, bottles, caps, corks, labels, aluminium cans, in tonnes	208.48	245.32	187.94
Topterra Ltd	Chemicals used in process, in tonnes	143.00	107.00	67.50

Annex 3 - Financial implications and other risks and opportunities for Terra's activities due to climate change G4-EC2

The agricultural sector in Mauritius is already being affected by extreme weather events related to precipitation (droughts and flash floods), altered rainfall patterns, natural disasters such as cyclones, and increased incidence of agricultural pests and crop diseases. Other factors likely to impact climate change include: change in soil moisture, cropping pattern and crop cycle as well as decrease in crop productivity. Climate change presents a risk not only to food security, but also to the availability of raw materials such as sugarcane and *bagasse* that directly affect the production of sugar and electricity generation. Consequently, the Group's operational entities have contracted comprehensive insurance policies to cater for all material damages and cumulative losses with regard to natural catastrophes such as tropical cyclones and floods as summarised below:

Account	Insured	Period of Insurance	Policy Number	Sums Insured (MUR)	Annual Premium (MUR)	Split Premium for Cyclone & Flood Perils (MUR)
204227	Terragri Ltd	16.01.15 - 15.01.16	F07 35638 01	2,500,000	3,000	1,200
204227	Terragri Ltd	16.01.15 - 14.10.15	F03 22014 01	736,157,990	883,390	353,356
204227	Terragri Ltd	15.10.15 - 15.01.16	F03 22014 01	739,875,580	887,851	355,140
204255	Terra Milling Ltd	16.01.15 - 15.01.16	F12 25262 01	921,131,182	165,804	165,804
204212	Terragen Ltd &/or Terragen Management Ltd	01.01.15 - 31.12.15	F07 28622 01	198,552,000	238,262	95,305
198405	Sagiterra Ltd	01.01.15 - 31.12.15	F03 35878 01	800,000	1,281	621
198486	Sugarworld Ltd	14.01.15 - 13.01.16	F07 30214 01	41,500,000	56,025	22,410
072889	Grays Inc. Ltd	01.01.15 - 31.12.15	F37 26166 01	638,000,000	861,300	344,520
075205	Grays Distilling Ltd	01.01.15 - 31.12.15	F03 28152 01	309,000,000	417,150	166,860
204386	Terragri Ltd - Head Office	16.01.15 - 15.01.16	F07 24038 01	8,000,000	9,600	3,840

Note: all premiums exclude FSC & policy fees.

Annexes (cont'd)

Annex 4 - Indirect economic impacts of Terra G4-DMA G4-EC8

The industrial ecosystem of Terra is a means of illustrating its indirect economic impacts. Group operations contribute significantly to the economy of the country not only directly but also through linkages with other sectors. The major impact is on suppliers as Terra's activities support employment in them, meaning that there is job creation along the supply chains as shown in the document, 'Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement'.

Processes in entities are enhanced through the use of efficient equipment and tools, thereby increasing energy and resource productivity, thereby potentially making more resources available for alternative economic activities.

Terragen's use of *bagasse* for energy production during the six months of the crop season reduces coal imports and has therefore a direct impact on climate change.

G4-PR3

Through the conversion of the Beau Plan sugar factory into a museum, Sugarworld is able to contribute to the preservation of the country's cultural heritage. It also serves to educate young people, enriching the educational process by exposing children and public to the history of sugar manufacturing.

Terra Foundation, whose activities are detailed on pages 58 to 61, has both an economic and social impact on society. Grays, as well as providing high-quality products, encourages customers to help in the recycling of glass bottles, thereby generating added economic value and job creation.

Annex 5 - Details on Terra Foundation's activities

1. Safire statistics for Triolet region for 2015

Statistics Triolet Region	2015	
	Girls	Boys
No. of children monitored	12	23
No. of children who integrated school at the beginning of school year	5	7
No. of children in pre-primary school	0	0
No. of children in primary school	4	4
No. of children who will sit at the CPE Exam (National examinations at the end of the primary cycle)	0	1
No. of children who succeeded at the last CPE exams	0	0
No of children in pre-vocational schools	1	3
No. of children attending ANFEN schools (Non formal education schools)	4	5
No. of children who are attending a professional training (e.g at the Mauritius Institute of Training and Development)	1	0
No. of children following a training at the SAFIRE Farm	1	1
No. of Teenage mothers	0	N/A
No. of out-of-school children less than 16 years old	0	2
No. of out-of-school children aged more than 16 years old	0	6
No. of children that stopped attending school during the year	0	2
No. of children rejecting all integration processes	0	0
No. of children lost because of change of address, etc.	0	0
No. of children re-integrated in a residential structure (family, centre, shelter)	N/A	N/A

Annexes (cont'd)

Annex 5 - Details on Terra Foundation's activities (cont'd)

2. Sponsorships renewed in 2015

Education and Training (10)

NGO	**Project**
ICJM project '*Les Amis de Zippy*'	A programme helping children to cope with their emotions and difficult situations, sponsored for 4 schools and reaching 313 kids
The '*Mouvement Civique de la Baie du Tombeau*'	For its non-formal school 'Ecole de la Vie'
Action Familiale	For awareness sessions in the schools of the North
College Technique St Gabriel	For the scholarships of 2 students of low-income families
Quartier de Lumière	For 2 remedial teachers for its non-formal school 'La Ruche'
Fondation Cours Jeanne d'Arc	For the scholarship of 1 vulnerable student at Saint Patrick's College
Batisseurs de Paix	For the literacy class and kindergarten services
Terrain for Interactive Pedagogy Through Arts (TIPA)	For 1 school in Port-Louis
Comité Quartier Cité de Pamplemousses	For the tertiary studies (year 2 & 3) of a person coming from a low-income family
BPS Fatima college	For the second year of their 'education for Sustainability' project

Daily meals (3)

Sponsorships were maintained for the daily meals of some 121 children in the following NGOs:

NGO	**Project**
Atelier de Formation Joie de Vivre	Caring for former out-of-school and street children
Association Amour Sans Frontières	Caring for handicaped people
Etoile du Berger	Caring for abandoned and neglected children

Disability (5)

The education and development of the physically or mentally impaired in the care of the following NGOs were maintained:

NGO	**Project**
Autisme Maurice	For a teacher and an assistant for their new branch in the north
Association Dominique Savio	Caring for adolescents and adults
Lizie dan la main	Caring for the visually impaired
Association la Courte Echelle du Nord	Caring for mentally impaired children
Association for Disability Service Providers (ADSP)	Caring for mentally and physically impaired children in the North

Annexes (cont'd)

Annex 5 - Details on Terra Foundation's activities (cont'd)

2. Sponsorships renewed in 2015 (cont'd)

Poverty alleviation (5) and health care (2)

NGO	**Project**
SAFIRE	For the reintegration of out-of-school kids in a pocket of poverty at Cité Mère Térésa
Mouvement Civique de la Baie du Tombeau	For the project '*L'Abri de Lumière*' caring for teenage mothers of extremely vulnerable families
SOS Children's Villages Mauritius	For abandoned and neglected children
Elles C Nous	For the activities of this NGO offering remedial classes
ARISE	For the therapy of one kid and the birthdays of the abandoned and neglected children
T1 Diams	For the therapy and monitoring of beneficiaires living with Type 1 diabetes
Link to Life	For the rent of their branch in the north caring for cancer patients

Environment (1)

NGO	**Project**
Mauritian Wildlife Foundation	For the preservation on the 'Echo Parakeet', an endangered bird of Mauritius

Sports (2)

NGO	**Project**
Trust Fund for Excellence in Sports	For athletes coming from low income families in the North
Association de Développement de Pamplemousses	For the transport costs of their football school

Annexes (cont'd)

Annex 6: GRI Content Index

1. General Standard Disclosures

General Standard Disclosures	Page Number	External Assurance
Strategy and Analysis		
G4-1	Chairman's message, p. 20 Managing Director's report, p. 22 Environmental performance, p. 70	No
Organisational Profile		
G4-3	p. 1	No
G4-4	p. 4	No
G4-5	p. 97	No
G4-6	p. 34; p. 55; p. 97	No
G4-7	p. 84	No
G4-8	p. 30; p. 34; p. 38; p. 42; p. 48; p. 52; p. 53; p. 54; p. 55	No
G4-9	p. 4; p. 14; p. 25; p. 66; p. 103, p. 104; p. 171	No
G4-10	p. 176 (Annex 1 – Table 1.1) Given the smallness of Mauritius, all of Terra's significant locations of operation are taken to overlap with the entire national territory.	No
G4-11	p. 176 (Annex 1 – Table 1.1)	No
G4-12	Annex 3 in "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement" (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx)	No
G4-13	p. 23; p. 25; p. 30; p. 34; p. 38; p. 42; p. 48; p. 52; p. 53; p. 54; p. 55	No
G4-14	Chairman's message, p. 19; p. 85; p. 87 Annex 1 of "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement" (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx).	No
G4-15	Terra does not subscribe to any environmental or social charters or initiatives.	No
G4-16	p. 87, Some subsidiaries are members of different associations as stated below: 1) Terragri Ltd and Terra Milling Ltd: Mauritius Chamber of Agriculture, Mauritius Sugar Syndicate, Mauritius Chamber of Commerce and Industry, Business Mauritius and the Joint Economic Council. 2) Grays Inc Ltd : Association of Mauritian Manufacturers, Mauritius Chamber of Commerce and Industry, Business Mauritius, The South African Chamber of Commerce and Industry, American Chamber of Commerce Mauritius, 'Made in Moris' Association, Mauritius Institute of Directors	No

Annexes (cont'd)

Annex 6: GRI Content Index (cont'd)

1. General Standard Disclosures (cont'd)

General Standard Disclosures	Page Number	External Assurance
Identified Material Aspects and Boundaries		
G4-17	Section 1.1 of "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx)	No
G4-18	Section 2 of "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx)	No
G4-19	Section 3 of "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx)	No
G4-20	Section 2 of "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx)	No
G4-21	Section 2 of "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx)	No
G4-22	Restatements of information provided in the annual integrated report 2014: 1) p. 175: the injury rate and lost day rate for Terragen Ltd should have been 50 and 0.85 instead of 0.00005 and 0.00085. There was an error in multiplication with the associated coefficients.	No
G4-23	There was no changes in the scope and aspect boundaries - ("Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx))	No
Stakeholder Engagement		
G4-24	Annex 2 and Annex 3 in "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx)	No
G4-25	Section 2 of "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx)	No
G4-26	Section 2 of "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx) Additional ways of engaging with some of the stakeholders: Shareholders (p. 84), Employees (p. 64), Community (p. 58), Investors (p. 84), p. 92.	No
G4-27	There is no formal approach for engaging with stakeholders for the time being. The entities engage with their stakeholders as and when required. Any engagement that was undertaken in this context was part of the report preparation process. Section 2 of "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx)	No

Annexes (cont'd)

Annex 6: GRI Content Index (cont'd)

1. General Standard Disclosures (cont'd)

General Standard Disclosures	Page Number	External Assurance
Report Profile		
G4-28	January 01 - December 31, 2015	No
G4-29	The previous report covered the period January 01 - December 31, 2014 (available on http://www.terra.co.mu/media/15628/terra_ra_2014.pdf)	No
G4-30	Annual	No
G4-31	Louis Denis Koenig, Administrative Executive (ldkoenig@terra.co.mu)	No
G4-32	Terra has chosen to report on 'In accordance - core' (p. 1). It is stated in Section1 of "Defining the Report Content for Terra Mauricia Ltd Using the Global Reporting Initiative G4 Sustainability Reporting Guidelines: the Materiality Matrix and Stakeholder Engagement", The GRI content index is provided on p. 184 in Annex 6. (available on http://terra.co.mu/investors-corner/sustainability-reports.aspx). The report has not been externally assured.	No
G4-33	It was decided not to seek externally assurance for the report.	No
Governance		
G4-34	p. 87	No
Ethics and Integrity		
G4-56	p. 64; p. 88	No

Annexes (cont'd)

Annex 6: GRI Content Index (cont'd)

2. Specific Standard Disclosures

DMA and Indicators	Page Number	Omission(s)	External Assurance
CATEGORY: ECONOMIC			
MATERIAL ASPECT: Economic performance			
G4-DMA	p. 19; p. 23	-	No
G4-EC1	p. 16	-	No
G4-EC2	p. 180 (Annex 3)	Data with regards to 'Opportunity and its associated impacts, and methods to manage the risks and opportunity and cost' are currently unavailable. It is under study and will be presented in the next reporting period.	No
G4-EC3	p. 121; p. 130; p. 154	-	No
MATERIAL ASPECT: Market presence			
G4-DMA	p. 30, p. 38, p. 42	-	No
G4-EC6	Given the smallness of Mauritius, all of Terra's significant locations of operation are taken to overlap with the entire national territory. In this case, 99% of senior management are hired locally that reveals the orientation of Terra to favour local employment. p. 82.	-	No
MATERIAL ASPECT: Indirect economic impacts			
G4-DMA	p. 181 (Annex 4)	-	No
G4-EC8	p. 181 (Annex 4)	-	No
MATERIAL ASPECT: Procurement practices			
G4-DMA	p. 43; p. 52	-	No
G4-EC9	p. 43; p. 52	-	No
CATEGORY: ENVIRONMENTAL			
MATERIAL ASPECT: Materials			
G4-DMA	p. 70; p. 71	-	No
G4-EN1	p. 71; p. 180 (Annex 2)	-	No
G4-EN2	p. 71	-	No

Annexes (cont'd)

Annex 6: GRI Content Index (cont'd)

2. Specific Standard Disclosures (cont'd)

DMA and Indicators	Page Number	Omission(s)	External Assurance
CATEGORY: ENVIRONMENTAL (cont'd)			
MATERIAL ASPECT: Energy			
G4-DMA	p. 72	-	No
G4-EN3	p. 72	-	No
MATERIAL ASPECT: Water			
G4-DMA	p. 71	-	No
G4-EN8	p. 71	-	No
MATERIAL ASPECT: Emissions			
G4-DMA	p. 74	-	No
G4-EN15	p. 74	-	No
G4-EN21	p. 74	POP, VOC, HAP values are not available because they are not applicable to the type of activities.	No
MATERIAL ASPECT: Effluents and waste			
G4-DMA	p. 72	-	No
G4-EN23	p. 72	-	No
MATERIAL ASPECT: Products and services			
G4-DMA	p. 35; p. 43; p. 52	-	No
G4-EN27	p. 52	-	No
G4-EN28	p. 35; p. 43	-	No
MATERIAL ASPECT: Compliance			
G4-DMA	p. 70	-	No
G4-EN29	p. 70	-	No
MATERIAL ASPECT: Transport			
G4-DMA	p. 74	-	No
G4-EN30	p. 74	The impacts related to transportation of employees were not evaluated because they are not significant compared to those regarding transportation of raw materials, products and waste. It will be studied and evaluated in 2016.	No

Annexes (cont'd)

Annex 6: GRI Content Index (cont'd)

2. Specific Standard Disclosures (cont'd)

DMA and Indicators	Page Number	Omission(s)	External Assurance
CATEGORY: ENVIRONMENTAL (cont'd)			
MATERIAL ASPECT: Overall			
G4-DMA	p. 74	-	No
G4-EN31	p. 74	-	No
MATERIAL ASPECT: Supplier environmental assessment			
G4-DMA	p. 35; p. 52	-	No
G4-EN33	p. 35; p. 52	-	No
MATERIAL ASPECT: Environmental grievance mechanisms			
G4-DMA	p. 70	-	No
G4-EN34	p. 70	-	No
CATEGORY: SOCIAL			
SUB-CATEGORY: Labour practices and decent work			
MATERIAL ASPECT: Employment			
G4-DMA	p. 64	-	No
G4-LA1	p. 177 (Annex 1)	-	No
MATERIAL ASPECT: Labour/Management relations			
G4-DMA	p. 67	-	No
G4-LA4	p. 67	-	No
MATERIAL ASPECT: Occupational health and safety			
G4-DMA	p. 93	-	No
G4-LA6	p. 179 (Annex 1)	-	No
MATERIAL ASPECT: Training and education			
G4-DMA	p. 65	-	No
G4-LA9	p. 65; p. 179 (Annex 1)	-	No

Annexes (cont'd)

Annex 6: GRI Content Index (cont'd)

2. Specific Standard Disclosures (cont'd)

DMA and Indicators	Page Number	Omission(s)	External Assurance
CATEGORY: SOCIAL (cont'd)			
SUB-CATEGORY: Human Rights			
MATERIAL ASPECT: Freedom of association and collective bargaining			
G4-DMA	p. 64	-	No
G4-HR4	p. 67	-	No
SUB-CATEGORY: Society			
MATERIAL ASPECT: Local communities			
G4-DMA	p. 58	-	No
G4-SO1	p. 58	-	No
MATERIAL ASPECT: Anti-corruption			
G4-DMA	p. 88	-	No
G4-SO4	p. 88	-	No
MATERIAL ASPECT: Compliance			
G4-DMA	p. 64; p. 70	-	No
G4-SO8	p. 64; p. 70	-	No
MATERIAL ASPECT: Grievance mechanisms for impacts on society			
G4-DMA	p. 61	-	No
G4-SO11	p. 61	-	No
SUB-CATEGORY: Product responsibility			
MATERIAL ASPECT: Customer health and safety			
G4-DMA	p. 35; p. 44; p. 52	-	No
G4-PR1	p. 35; p. 44; p. 52	-	No
MATERIAL ASPECT: Product and service labelling			
G4-DMA	p. 35; p. 44; p. 52	-	No

Annexes (cont'd)

Annex 6: GRI Content Index (cont'd)

2. Specific Standard Disclosures (cont'd)

DMA and Indicators	Page Number	Omission(s)	External Assurance
CATEGORY: SOCIAL (cont'd)			
SUB-CATEGORY: Product responsibility (cont'd)			
MATERIAL ASPECT: Product and service labelling (cont'd)			
G4-PR3	p. 35; p. 44; p. 52; p. 181 (Annex 4)	-	No
MATERIAL ASPECT: Marketing communications			
G4-DMA	p. 35; p. 44; p. 48; p. 52	-	No
G4-PR7	p. 35; p. 44; p. 48; p. 52	-	No
MATERIAL ASPECT: Customer privacy			
G4-DMA	p. 44; p. 48 (Sagiterra Ltd and Terrarock Ltd); p. 52; p. 53	-	No
G4-PR8	p. 44; p. 48 (Sagiterra Ltd and Terrarock Ltd); p. 52; p. 53	-	No
MATERIAL ASPECT: Compliance			
G4-DMA	p. 35; p. 44; p. 48 (Sagiterra Ltd and Terrarock Ltd); p. 52; p. 53	-	No
G4-PR9	p. 35; p. 44; p. 48 (Sagiterra Ltd and Terrarock Ltd); p. 52; p. 53	-	No

NOTICE OF ANNUAL MEETING

Notice is hereby given that the **Annual Meeting of the shareholders of TERRA Mauricia Ltd ('Terra')** will be held at **Auditorium Paul Eynaud, L'Aventure du Sucre,** Beau Plan, Pamplemousses, on **WEDNESDAY 29 JUNE 2016 at 2.00 p.m**. to transact the following business:

1. To consider the Annual Report for the year ended 31 December 2015.
2. To receive the report of the auditors on the audited financial statements of Terra for the year ended 31 December 2015.
3. To consider and approve the audited financial statements of Terra for the year ended 31 December 2015:

Ordinary Resolution
"Resolved that the audited financial statements of Terra Mauricia Ltd for the year ended 31 December 2015 be and is hereby approved".

4. To consider and approve by way of Ordinary Resolutions pursuant to clause 32 of the amended and restated constitution of Terra, the following matters pertaining to Terragri Ltd ('Terragri'):

4.1 the audited financial statements of Terragri for the year ended 31 December 2015:

Ordinary Resolution
"Resolved that the audited financial statements of Terragri for the year ended 31 December 2015 be and is hereby approved".

4.2 the re-election, pursuant to Clause 20.2 of the constitution of Terragri and Section 138 (6) of the Companies Act 2001, of Mr Maurice de Marassé Enouf as director of Terragri until the next Annual Meeting of shareholders of Terragri.

Ordinary Resolution
"Resolved that Mr Maurice de Marassé Enouf be and is hereby re-elected as director of Terragri to hold office until the next Annual Meeting of Terragri."

4.3 the re-election, pursuant to Clause 20.3 of the constitution of Terragri, of Mr Nicolas Maigrot as director of Terragri.

Ordinary Resolution
"Resolved that Mr Nicolas Maigrot be and is hereby re-elected as director of Terragri."

4.4 the re-election, pursuant to clauses 20.2 and 20.5.4 of the constitution of Terragri of the following persons who, retiring by rotation, offer themselves for re-election as directors of Terragri (as separate resolutions):
(i) Mr Henri Harel
(ii) Mr Hubert Harel

Ordinary Resolution
"Resolved that the following persons be and are hereby re-elected as director of Terragri (as separate resolutions):
(i) Mr Henri Harel
(ii) Mr Hubert Harel"

4.5 the election of the following persons as directors of Terragri (as separate resolutions):
(i) Mr Didier Harel
(ii) Mr Alain Rey

Ordinary Resolution
"Resolved that the following persons be and are hereby elected as director of Terragri (as separate resolutions):
(i) Mr Didier Harel
(ii) Mr Alain Rey"

4.6 the re-appointment of the auditors of Terragri under section 200 of the Companies Act 2001 and the authorisation by way of Ordinary Resolution to the Board of Terragri to fix their remuneration:

Ordinary Resolution
"Resolved that the re-appointment of the auditors under section 200 of the Companies Act 2001 be and is hereby noted and that the Board of Terragri be and is hereby authorised to fix their remuneration."

5. To authorise by way of Ordinary Resolution the board of directors of Terra in its capacity as representative of Terra, the sole shareholder of Terragri, to implement the resolutions referred to at paragraphs 4.1 to 4.6 above at the Annual Meeting of Terragri.

Ordinary Resolution
"Resolved that the board of Terra, in its capacity as representative of Terra, the sole shareholder of Terragri, be and is hereby authorised to implement the resolutions passed pursuant to paragraphs 4.1 to 4.6 above at the Annual Meeting of Terragri."

6. To consider and approve by way of Ordinary Resolutions the following matters pertaining to Terra:

6.1 the re-election, pursuant to clause 20.2 of the amended and restated constitution of Terra and Section 138 (6) of the Companies Act 2001, of Mr Maurice de Marassé Enouf as director of Terra until the next Annual Meeting of shareholders of Terra.

Ordinary Resolution
"Resolved that Mr Maurice de Marassé Enouf be and is hereby re-elected as director of Terra to hold office until the next Annual Meeting of Terra."

6.2 the re-election, pursuant to Clause 20.3 of the constitution of Terra, of Mr Nicolas Maigrot as director of Terragri.

Ordinary Resolution
"Resolved that Mr Nicolas Maigrot be and is hereby re-elected as director of Terra."

6.3 the re-election pursuant to clauses 20.2 and 20.5.4 of the amended and restated constitution of Terra of the following persons who, retiring by rotation, offer themselves for re-election as directors of Terra (as separate resolutions):
(i) Mr Henri Harel
(ii) Mr Hubert Harel

Ordinary Resolution
"Resolved that the following persons be and are hereby re-elected as director of Terra (as separate resolutions):
(i) Mr Henri Harel
(ii) Mr Hubert Harel"

6.4 the election of the following persons as directors of Terra (as separate resolutions):
(i) Mr Didier Harel
(ii) Mr Alain Rey

Ordinary Resolution
"Resolved that the following persons be and are hereby elected as director of Terra (as separate resolutions):
(i) Mr Didier Harel
(ii) Mr Alain Rey"

6.5 to fix for the period starting from 1st July 2016 and ending on 30 June 2017, the fees of (i) the directors of Terra at MUR 30,000 per month and MUR 18,000 per Board sitting; and (ii) the Chairperson of Terra at MUR 60,000 per month and MUR 36,000 per Board sitting, pursuant to clause 23.1 of the amended and restated constitution of Terra.

Ordinary Resolution
"Resolved that the fees for the period from 1st July 2016 to 30 June 2017 be and are hereby fixed at MUR 30,000 per month and MUR 18,000 per Board sitting for the directors of Terra; and MUR 60,000 per month and MUR 36,000 per Board sitting for the Chairperson of Terra."

7. To take note of the re-appointment of the auditors under section 200 of the Companies Act 2001 and authorise by way of Ordinary Resolution the Board of Terra to fix their remuneration.

Ordinary Resolution
"Resolved that the re-appointment of the auditors under section 200 of the Companies Act 2001 be and is hereby noted and that the Board of Terra be and is hereby authorised to fix their remuneration."

8. Question time.

By order of the Board
Terra Services Ltd
Secretary

Dated this 11th day of May 2016

Notes:

a. A shareholder of Terra entitled to attend and vote at this meeting may appoint a proxy (whether a shareholder or not) to attend and vote on his behalf, or may cast his vote by post.

b. The appointment of proxy must be made in writing on the enclosed form and the document should reach the new office of Terra, Beau Plan Business Park, Pamplemousses 21001, not less than twenty-four (24) hours before the time of holding the meeting, and in default, the instrument of proxy shall not be treated as valid. Any power of attorney or instrument under which the proxy is signed or notarially certified must be produced before the start of the meeting.

c. The notice for casting a postal vote must be made in writing on the enclosed form and sent to the attention of Mr Louis Denis Koenig, the person authorised by the Board of directors of Terra to receive and count the postal votes at the Annual Meeting. The document should reach the new office of Terra, Beau Plan Business Park, Pamplemousses 21001, not less than forty-eight (48) hours before the time of holding the meeting, and in default, the notice of postal vote shall not be treated as valid.

d. For the purpose of the above Annual Meeting, the directors have resolved, in compliance with section 120 (3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend the meeting shall be those shareholders whose names are registered in the share register of Terra as at 2nd June 2016.

e. The audited financial statements of Terragri for the year ended 31 December 2015 are available for inspection during normal business hours at the new office of Terra, Beau Plan Business Park, Pamplemousses.

f. A short biographic note on each director, including those proposed to be elected or re-elected, can be found on pages 78 and 79 of the Annual Report.

TERRA MAURICIA LTD (the "Company")

PROXY / CASTING POSTAL VOTE FORM

APPOINTMENT OF PROXY* (see notes **a** and **b** overleaf)

I/We..

of..

being shareholder/s of the above named company hereby appoint ....

of...or

failing him/her, ...

of...or

the Chairperson as my/our proxy to vote for me/us at the **Annual Meeting** of the Company to be held on **Wednesday 29 June 2016** and at any adjournment thereof. The proxy will vote on the under-mentioned resolutions, as indicated below:

CASTING POSTAL VOTES* (see note **c** overleaf)

I/We..

of... being shareholder/s of the above named company desire my/our vote/s to be cast as indicated on the under-mentioned resolutions at the **Annual Meeting** of the Company to be held on **Wednesday 29 June 2016** and at any adjournment thereof:

RESOLUTIONS	FOR	AGAINST	ABSTAIN
3 Resolved that the audited financial statements of Terra Mauricia Ltd for the year ended 31 December 2015 be and is hereby approved.	☐	☐	☐
4.1 Resolved that the audited financial statements of Terragri Ltd for the year ended 31 December 2015 be and is hereby approved.	☐	☐	☐
4.2 Resolved that Mr Maurice de Marassé Enouf be and is hereby re-elected as director of Terragri to hold office until the next Annual Meeting of Terragri.	☐	☐	☐
4.3 Resolved that Mr Nicolas Maigrot be and is hereby re-elected as director of Terragri.	☐	☐	☐
4.4 Resolved that the following persons be and are hereby re-elected as director of Terragri (as separate resolutions):			
(i) Mr Henri Harel	☐	☐	☐
(ii) Mr Hubert Harel	☐	☐	☐
4.5 Resolved that the following persons be and are hereby elected as director of Terragri (as separate resolutions):			
(i) Mr Didier Harel	☐	☐	☐
(ii) Mr Alain Rey	☐	☐	☐
4.6 Resolved that the reappointment of the auditors under section 200 of the Companies Act 2001 be and is hereby noted and that the Board of Terragri be and is hereby authorised to fix their remuneration.	☐	☐	☐
5 Resolved that the board of Terra, in its capacity as representative of Terra, the sole shareholder of Terragri, be and is hereby authorised to implement the resolutions passed pursuant to paragraphs 4.1 to 4.6 above at the Annual Meeting of Terragri.	☐	☐	☐

* : Please fill-in either the proxy section or the postal vote one, but not both.

P.T.O

TERRA MAURICIA LTD (the "Company")

PROXY / CASTING POSTAL VOTE FORM

RESOLUTIONS	FOR	AGAINST	ABSTAIN
6.1 Resolved that Mr Maurice de Marassé Enouf be and is hereby re-elected as director of Terra to hold office until the next Annual Meeting of Terra.	☐	☐	☐
6.2 Resolved that Mr Nicolas Maigrot be and is hereby re-elected as director of Terra.	☐	☐	☐
6.3 Resolved that the following persons be and are hereby re-elected as director of Terra (as separate resolutions):			
(i) Mr Henri Harel	☐	☐	☐
(ii) Mr Hubert Harel	☐	☐	☐
6.4 Resolved that the following persons be and are hereby elected as director of Terra (as separate resolutions):			
(i) Mr Didier Harel	☐	☐	☐
(ii) Mr Alain Rey	☐	☐	☐
6.5 Resolved that the fees for the period from July 01, 2016 to June 30, 2017 be and are hereby fixed at MUR 30,000 per month and MUR 18,000 per Board sitting for the directors of Terra; and MUR 60,000 per month and MUR 36,000 per Board sitting for the Chairperson of Terra.	☐	☐	☐
7 Resolved that the reappointment of the auditors under section 200 of the Companies Act 2001 be and is hereby noted and that the Board of Terra be and is hereby authorised to fix their remuneration.	☐	☐	☐

Signed this .... day of June 2016.

....
Signature(s)

NOTES

a. If this form is signed and returned without any indication as to how the proxy shall vote, he will exercise his discretion both as to how he votes and whether or not he abstains from voting.

b. To be effective, this form of proxy should reach the new office of the Company, Beau Plan Business Park, Pamplemousses 21001, not less than twenty-four (24) hours before the time of holding the meeting. Any power of attorney or instrument under which the proxy is signed or notarially certified must be produced before the start of the meeting.

c. To be effective, this notice of postal vote should be sent to the attention of Mr Louis Denis Koenig, the person authorised by the Board of directors of the Company to receive and count the postal votes at the Annual Meeting and should reach the new office of the Company, Beau Plan Business Park, Pamplemousses 21001, not less than forty-eight (48) hours before the time of holding the meeting.

FAQ on Cocoon paper

Is recycled paper better for the environment than virgin paper?

YES. Recycled paper helps the environment in a number of ways:

- Recycling helps preserve forests, reducing demand for wood.
- Recycling avoids accumulation of waste sites and incinerators, which generate CO2 emissions.
- Recycling lengthens the lifespan of paper, since fibres can be recycled 4 to 5 times.
- Producing recycled paper requires around 2 times less energy and 3 times less water than paper made with virgin pulp.

What is Cocoon paper made from?

Cocoon paper is made from 100% genuine, recovered waste paper.

How is Cocoon paper so white and bright?

The recycled pulp production process uses a multi-stage cleaning process. It uses biodegradable cleaners and chlorine free bleaches.
Sodium hydrosulphite, a reductive bleach, is used to remove colour from the fibers and hydrogen peroxide, an oxidative bleach, is used to brighten the fibres. It's a sustainable process, as, for example, the hydrogen peroxide breaks down into water and oxygen upon disposal.
This leads to a high quality and white recycled pulp, so that very limited quantities of optical brightening agents are added to enhance the whiteness and brightness of the paper. Although the de-inking process uses water and chemicals, it is still less harmful to the environment than the manufacturing process of making paper from virgin fibre.
The result is a paper with a whiteness of 150 CIE produced with the care for environment very much in mind.

Why is Forest Stewardship Council (FSC) a guarantee for recycled papers?

Cocoon offset and preprint papers have been recognized by the FSC and have been awarded the FSC 100% recycled label.
Products with a 100% recycled label support re-use of forest resources and use only post-consumer fibre, in accordance with FSC standards.

Edited by Dialogis

Concept & Design by Circus

Terra Mauricia Ltd
18, Edith Cavell Street
Port-Louis
Republic of Mauritius
www.terra.co.mu