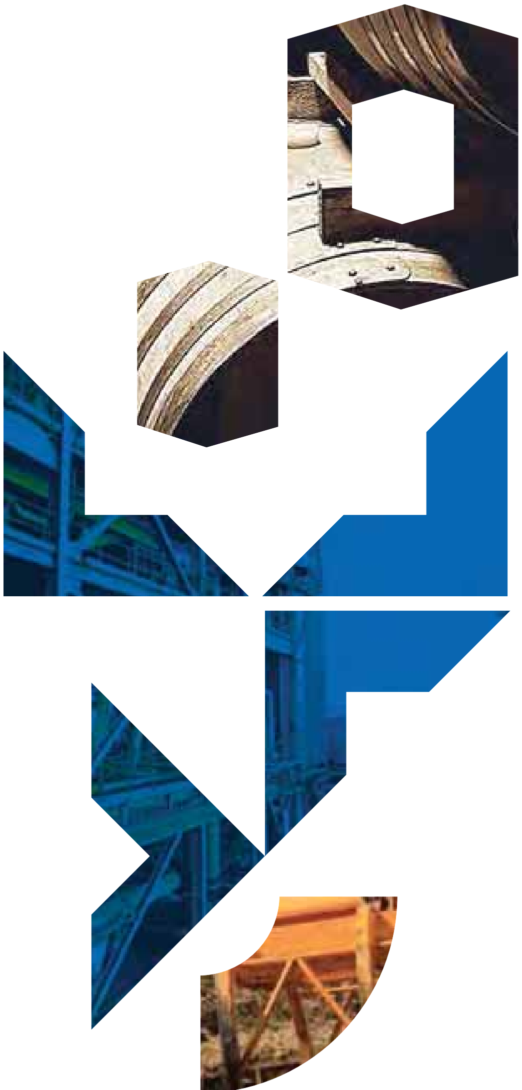

terra

ANNUAL REPORT 2016

For the future. From 1838

GOLD Community
Terra
2017

This publication was printed on Lenza Green paper 100% recycled pulp.

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Source: WWF-Check Your Paper (2010).
http://checkyourpaper.panda.org Accessed 18 May 2017.

Dear Shareholder,

102-1

The Board of directors of Terra Mauricia Ltd ("Terra") is pleased to present this Annual Report, which was approved on 11 May 2017. This integrated Annual Report, which was prepared according to the GRI standards and under the 'in accordance' core option, covers the activities of Terra and its subsidiaries for the year ended 31 December 2016.
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 2017

Time: 2.00 p.m.

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

Yours faithfully,

Alain Rey
Chairman

Nicolas Maigrot
Managing Director

CONTENTS

Group Structure

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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%

REAL ESTATE

Property

Sagiterra Ltd - 100%

Beau Plan Campus Ltd - 40.00%

Leisure

Sugarworld - 95.24%

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%

International Brands Ltd - 100%

Eco energy (Madagascar) - 80.00%***

East Indies Company - 74.00%

Grays Uganda Ltd - 70.30%

Belle Vue Rum Ltd - 50.00%

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%***

INVESTMENTS

Finance

Terra Finance Ltd - 100%

AceTer Global Ltd - 86.00%**

AG Holdings Ltd - 86.00%

Intendance Holding Ltd - 100%**

Swan General Ltd - 34.03%**

Administration and Services

Terra Services Ltd - 100%

Regional Training Centre - 33.33%

Cultural

Fondation Nemours Harel - 75.00%

Construction

Société Proban - 83.34%**

Terrarock Ltd - 45.00%

Rehm Grinaker Construction Co Ltd - 35.49%

Rehm Grinaker Properties Ltd - 35.49%

Information and Telecommunications

Commada Ltd - 50.00%**

Payment Express Ltd - 27.83%

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

FINANCIAL HIGHLIGHTS

(Group)

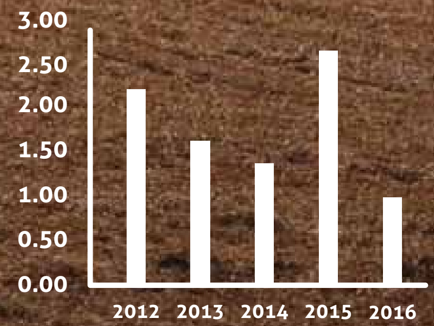
TURNOVER (MUR'M) 102-7

	MUR' M	EUR' M*	USD' M*
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
2016	4,860.5	125.39	132.02

PROFIT AFTER TAXATION (MUR'M)

	MUR' M	EUR' M*	USD' M*
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
2016	368.2	9.50	10.00

EARNINGS PER SHARE (MUR)



	MUR	EUR*	USD*
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
2016	0.96	0.025	0.026

NET ASSETS PER SHARE (MUR)

	MUR	EUR*	USD*
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
2016	58.48	1.509	1.588

DIVIDEND PER SHARE (MUR)

	MUR	EUR*	USD*
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
2016	0.85	0.022	0.023

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

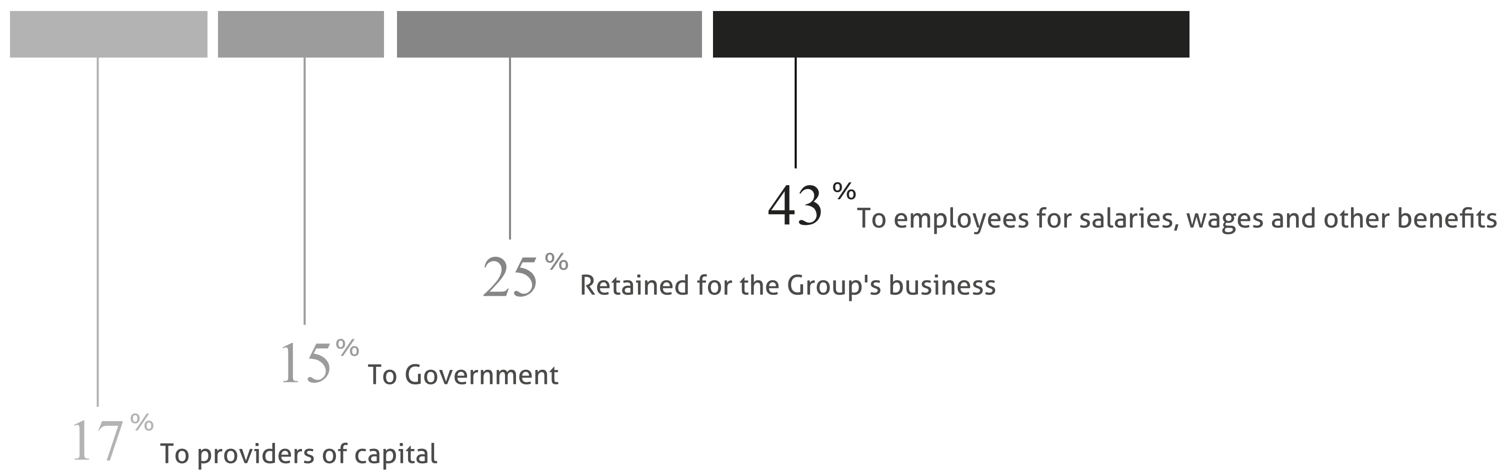
Value Added Statement 201-1

Group value added statement year ended 31 December 2016

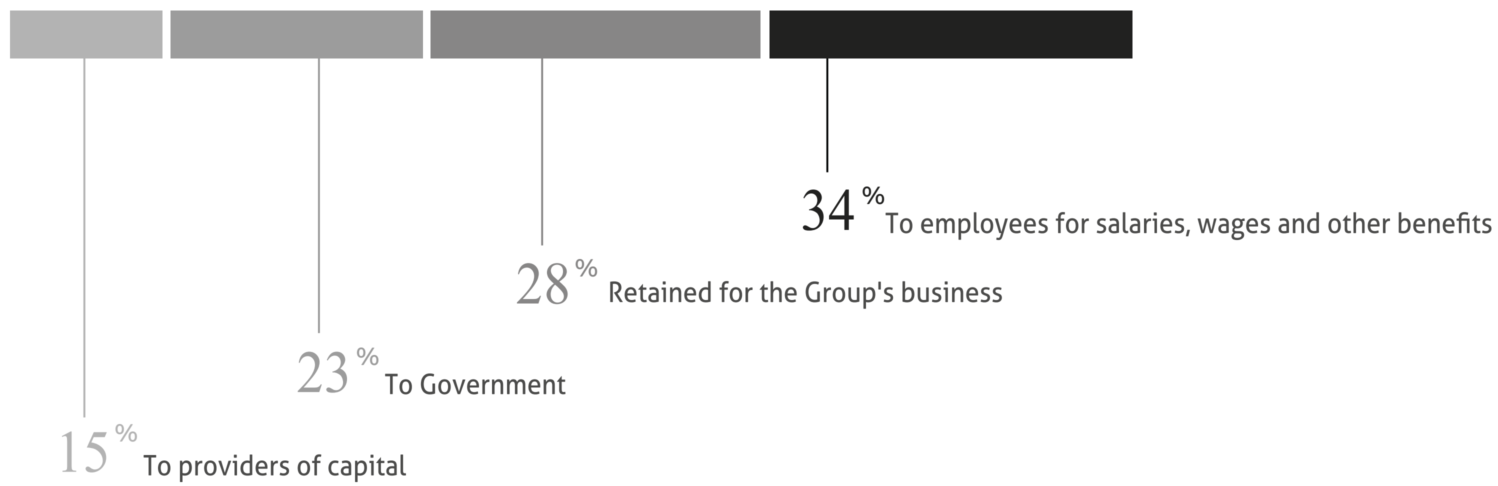
		2016 MUR'M		2015 MUR'M
Turnover		**4,860.5**		4,282.7
Gains / (losses) in fair value		**10.0**		50.5
Other income		**138.8**		189.6
		5,009.3		4,522.8
Less: Paid to suppliers		**(2,700.4)**		(1,698.1)
TOTAL VALUE ADDED		**2,308.9**		2,824.7
WEALTH DISTRIBUTED				
To employees for salaries, wages and other benefits	**43%**	**982.2**	30%	843.7
To Government				
Taxes		**65.2**		57.7
Custom and Excise Duties		**278.0**		570.8
	15%	**343.2**	22%	628.5
To providers of capital				
Dividends to:				
Shareholders of Terra Mauricia Ltd		**193.4**		193.4
Outside shareholders of subsidiaries		**115.1**		102.8
Banks and other lenders		**92.5**		88.5
	17%	**401.0**	14%	384.7
Retained for the Group's business				
Depreciation		**268.1**		259.9
Amortisation charge		**95.1**		110.8
Retained profits		**219.3**		597.1
	25%	**582.5**	34%	967.8
TOTAL DISTRIBUTED AND RETAINED		**2,308.9**		2,824.7

	2016	2015
To employees for salaries, wages and other benefits	**43%**	34%
To Government	**15%**	23%
To providers of capital	**17%**	15%
Retained for the Group's business	**25%**	28%
	100%	100%

2016



2015



CHAIRMAN'S MESSAGE

Dear valued Shareholder, 102-14 103-2 103-3

It is my pleasure to address this message for the first time as I take over the chairmanship of Terra from Daniel Nairac, who held the role for four years. Under his tenure, Terra upheld a high level of ethics and integrity, which translated into excellent corporate governance standards, which I am committed to sustain.

It is an honour for me to take over this responsibility at a time when the Group has embarked upon a fundamental transformation under the leadership of its recently appointed Managing Director, Nicolas Maigrot, and his strong and innovative team, seeking to build a platform for growth and sustainable value creation.

This transformation is in a context where Mauritius, having successfully navigated through the challenges of independence, economic diversification and growth, is now bracing itself to adapt to a rapidly changing world, seeking to take advantage of globalisation and advances in technology. However, in this new world, the Western economies that have traditionally supported the economic growth of the Mauritian economy are likely to adopt protectionist measures that might erode the trade preferences that Mauritius still currently enjoys. At the same time, closer and stronger trade links between Mauritius and Asian countries and regional cooperation with neighbouring African economies represent new frontier markets with growth potential. Mauritius has set out to position itself as a trade and finance hub between these continents and has committed to maintaining an economy open to foreign investors and international business.

While this changing international context increases the level of uncertainty and risk for Terra's traditional business model, it also represents a number of business opportunities that the Group is keen to capture. I believe that Terra holds exceptional assets, know-how and above all talents that will provide a platform for growth and sustainable value creation, while embracing the wider transformation of Mauritius into a more urban and international living environment. Terra's leadership in the management of the integrated value chain of the local sugar industry also provides a firm basis for the Group's ambitions to further its development in the global cane industry.

Chairman's Message (cont'd)

Terra has entrusted its Managing Director and a young and talented management team with this mission for transformation. It aims to have world-class operations to face the challenges of the local industry and build upon its presence in Africa.

Nowhere is the challenge and need for transformation as crucial for success as in the cane business. The erosion of Mauritius' trade preferences weighs heavily on the industry's capacity for revenue generation. In a heightened competitive environment, Mauritius' success will depend on its capacity to stand apart as a trustworthy, reliable, competitive and secure supplier of higher value-added products. The current efforts being undertaken in conjunction with the Mauritius Sugar Syndicate for the marketing and branding of Mauritian sugar are geared towards reaching this objective. Sadly, on the production side, the disconnect between the industry's regulatory framework and the challenges in its competitive international environment is widening year after year. The industry's most severely hit stakeholders are the small planters who do not have the resources to withstand losses and are leaving the industry, thereby threatening its sustainability. The economic development of the North in general is hampered, as resources available for new economic developments that could benefit younger generations are being absorbed by loss-making activities run by an ageing workforce.

Notwithstanding these challenges, the Cane operations in Mauritius posted improved results with reduced losses on the back of an exceptionally good crop and better sugar prices. This cluster is gearing up for potential international development and has recently recruited talented senior managers to lead it. This year again, the contribution from Terra's valued associate company, Sucrivoire, drives the cluster's profitability. We are working closely with both our local and international partners on new developments and projects, both locally and in Africa, to leverage our industry know-how and take advantage of opportunities on the continent.

In the Power cluster, Terragen is known for being the most reliable and best value partner for the Central Electricity Board (CEB). Once again, the company achieved operational excellence during the year. Terragen is committed to nurturing this close and effective working relationship with the CEB whilst creating value for our investors and other cane-industry stakeholders. Having reached peak operational capacity, Terragen's growth in its current form in Mauritius is limited but its management will work with both local and international authorities to consolidate its reputation as a serious partner and reliable energy producer.

The Real Estate cluster is a new and exciting addition to Terra's business model as it wants to establish a major centre between Port-Louis and the North through the creation of a carefully-planned, long-term, comprehensive and sustainable development framework. The cornerstone of this development will be the Beau Plan Smart City that, in addition to creating a residential and business environment geared for tomorrow, will add to the existing attractions in the Pamplemousses area. The project's size and ambition means that its value-creation potential will materialise in the long term, both for the Group and for the neighbouring areas. The management team's mandate for the coming years will be to drive this development in conjunction with business partners, while carefully managing Terra's cash resources.

In the year under review, Terra again had a positive contribution from the Brands cluster, which benefits from its judicious and creative portfolio selection. The present ongoing strategic review of brands will further boost its effectiveness and profitability. Grays know-how in branding and distribution supports the Group's strong and sustainable business model, which seeks to maintain market leadership while offering quality products at competitive prices.

The contribution from our various investments in associate companies was significantly lower compared to 2015. Terra is committed to supporting its investments, many of which fit into its larger strategic plan for development. However, the expansion of the investment portfolio is not on the agenda, unless such investments add strategic value to Terra's current projects.

Terra's development is anchored in its commitment to the well-being of its stakeholders, more specifically the community around the North where it operates.

Chairman's Message (cont'd)

A testimony to this commitment is the work of the Terra Foundation, which seeks to add value to deserving projects run by compassionate Non-Governmental Organisations in the North. Since its inception in 2009, the Foundation has become a valued partner in the development of its neighbourhood. Terra would like to maintain and strengthen these ties. At present, the announced changes in the regulatory framework for Corporate Social Responsibility by the Minister of Finance in his 2016 budget speech have given rise to uncertainties. Whilst these uncertainties have not altered our commitment to these NGOs, they will however need to be addressed in order to rethink the Foundation's role and structure in community development.

In February 2017, the National Committee on Corporate Governance has launched its National Code of Corporate Governance for Mauritius (2016). This code is founded on eight guiding principles that companies are required not only to apply but also to explain how, in its application, they embrace the spirit of the Code. This is a departure from the rules-based approach in the Code's first version. It adds flexibility to the way that companies design their corporate governance model. It also raises the stakes for companies in engaging in a truly significant application of the Code and in behaviour that shows integrity and concern for their stakeholders. This mindset already underpins Terra's corporate governance decisions and the Board is committed to sustaining this culture of integrity and fairness.

The years ahead will test Terra's objective and determination to unleash the value in its assets and to provide sustainable growth in its diversified operations. I am confident that, with Terra's present structure and under the leadership of its management team, the Group will be well equipped to face local and international challenges and will consolidate its contribution to the Mauritian economy as a leading conglomerate with an international dimension.

I would like to express my sincere thanks and the Board's gratitude to all the employees of the Group for their dedication and invaluable contribution to Terra's good operational performance. The Board and I would also like to convey our special thanks and sincere appreciation to Terra's Managing Director, Nicolas Maigrot and to his management team for their relentless efforts in setting out the Group's vision for growth and sustainable value creation, and in consolidating its human capital towards the achievement of this vision.

I would also like to thank my fellow directors for their commitment to running effective Board meetings and for their work on various Board committees. Finally, my thanks go to all our business partners and in particular Albioma, our partners at Terragen, the shareholders of Sucrivoire in Côte d'Ivoire and, last but not least, the Cabinet of Ministers and various officers of the Government of Mauritius, whose collaboration is much appreciated. Together we can achieve our common aim, the prosperity of our country, and Terra looks forward to strengthening further these relationships to our mutual benefit.

Alain Rey
Chairman of the Board of Directors
11 May 2017

I believe that Terra holds exceptional assets, know-how and above all talents that will provide a platform for growth and sustainable value creation.

MANAGING DIRECTOR'S MESSAGE

The clusters are now fully equipped to manage their operations as well as their respective budgeting and reporting functions.

102-2 102-10 102-14 103-2 103-3

Terra reported a profit after tax of MUR 368.2 million in a year marked by transition and restructuring in all our business units. The main highlights for the year were the modest turnaround in the sugar sector in Mauritius, a consolidation of technological and managerial ascendancy in the Power cluster, the setting-up of a fully-fledged team to lead the Group's Real Estate cluster and the launching of a process leading to the optimisation of Grays' brand portfolio.

2016 saw the completion of the restructuring leading to the reorganisation of our activities within our four autonomous clusters. These clusters are now fully equipped to manage their operations as well as their respective budgeting and reporting functions. From here on, they are set to continually strengthen their know-how and expand the scope of their businesses. These ambitions will be supported by teams engaged in developing a Group learning and curiosity culture.

Cane

A record sale of 84,829 tonnes of specialty sugars was the main highlight of Terra's sugar operations in 2016, as Terra reaped the benefits of its efforts to build its unique know-how in the manufacturing of specialty sugars. Maintaining this leadership will be Terra's main challenge since our main market, Europe, will be more competitive due to the end of internal quotas in 2017. Gearing up to address these challenges means reinforcing the existing collaboration between Terra and the Mauritius Sugar Syndicate (MSS), the institution responsible for selling and marketing the sugar produced in Mauritius. In an endeavour to tighten the ties between producers and their customers, the MSS set up a marketing committee to which millers have been encouraged to contribute. This committee's mandate is to strengthen the MSS's know-how in marketing and branding in order to give Mauritian sugar an edge in a very challenging environment. We welcome this initiative that will support the long-term competitiveness of the Mauritian sugar industry.

Meanwhile, the profitability of the sugar sector remains a cause for concern. Despite the higher value-added from specialty sugars, the sugar cluster's Mauritian operations still reported an operating loss of MUR 32.2 million. While this loss shows an improvement over the previous year, it also signals the need for gearing up the transformation of the sugar industry with a view to increasing its operational efficiency and reducing costs. The sugar industry still operates in a tight regulatory environment that does not provide the industry with a level-playing field compared with other industries in Mauritius, let alone with other sugar producers around the world. It also has an impact on small planters in Mauritius, for whom the profitability of growing operations has been stretched below sustainability levels. As a result, we note with great concern an ongoing trend for planters to drop out of cane-growing activity, which often leads to land being left fallow.

The subsequent reduction in the volume of canes directed to Terra's mill undermines its efforts to maximise the mill's efficiency. This drop in cane production, combined with the non-application at national level of the equal saturation principle of factories in sugarcane, will have a negative impact on Terra Milling activities and is a further source of concern. At Terra, for many years we have run a planters' desk to support these stakeholders. However, our efforts are ineffective in the face of the present cost structure due to these regulatory restrictions. We therefore call for an urgent review of such regulations to support the sustainability of the business model of all planters, large and small, and millers alike, for the benefit of the Mauritian economy in general.

Once again, our associate company in Côte d'Ivoire, Sucrivoire, posted good operational profits, albeit slightly lower than the previous year's, due to a less successful crop. The 2016 profit does not include the reversal in the previous year's write off of the investment, which is now complete. This year's profit therefore gives a better picture of this venture's true contribution to Terra's long-term profitability.

Sucrivoire still holds a large potential as its present production, that hovers around 90,000 tonnes of sugar, is set to grow to 160,000 tonnes, according to its strategic plan. This development will be organically financed. Moreover, the Côte d'Ivoire Government's disinvestment in the company has released shares available on the market that have paved the way for its listing in December 2016, making Sucrivoire a fully private company. The company enjoys strong governmental support and is well poised to consolidate its role as the leading producer of sugar for the local market. The execution of Sucrivoire's strategic plan for growth will create a number of opportunities for Terra to participate in various projects aimed at improving the company's operational efficiency, thereby setting the stage for the expansion of our management services internationally. This international development will be at the forefront of our strategy. Terra has engaged in strategic recruitment and has built a team to spearhead this development.

Power

In the Power cluster, Terragen posted an increase in sales as the Central Electricity Board (CEB) recurrently called for its services during the year. As the production plant is nearing full capacity, future operational progress will come from various projects aimed at enhancing its efficiency and its environmental performance. Improvement will also come from projects aimed at boosting Terra Milling's energy efficiency, which will release spare capacity for the supply of additional electricity to the CEB. Terragen is also actively engaged in the greening of its operations. In 2015, it invested in a carbon burn-out plant and in 2016 its leading project was the extension of processes necessary for burning cane trash from the sugarcane fields to produce energy. The technical aspects of the project are being addressed but the regulatory framework for the remuneration of the various stakeholders is yet to be finalised. This framework will give momentum to ambitious projects that will further provide Terra with world leadership in the greening of the cane transformation process.

Brands

While Grays' operations enjoyed good momentum, its management was actively involved in a review of its brand portfolio in order to optimise its value, providing focus and support to its operations. Grays' strategy is to focus on the development of its own brands and Grays' experience in launching and promoting its New Grove rum in Mauritius and internationally has provided a case study for this business model. In support of this strategy, a budget of some MUR 250.0 million was earmarked for the next five years in order to build the capacity for the ageing of rum, subject to obtaining relevant permits. Grays is also focusing on improving the efficiency of its distilling operations and its project in Uganda.

Real Estate

The recruitment of a high-profile team for property development and management has been central to Terra's strategy for developing the land around Beau Plan into a smart city, as supported by the letter of comfort received from the Board of Investment for this project. This exercise is almost complete and the team is now well poised to transform this area into a futuristic urban environment where its inhabitants can live, work and play. The construction of the African Leadership College's campus is the first step towards the materialisation of this vision, where urban development will be supported by a network of smart services such as schools, shopping malls and recreational facilities. The combined investments required from Terra and its strategic partners will be significant so as to support this area's transformation over the coming years.

Investments

The performance of Terra's investment portfolio declined in 2016 as United Investments and Rehm Grinaker posted weaker results, while Swan Insurance's performance was stable. Terra supported the rights issue by United Investments, in line with its earlier commitment. Meanwhile, Terra will seek to rationalise its portfolio and, in the future, its investment will be essentially devoted to projects around its core activities.

Team Development

Our first leadership development programme, started in 2015, was completed in 2016. It has provided a total of 60 executives with essential skills to lead the company's transformation. Going forward, Terra wants to nurture a learning and forward-looking culture that will permeate the entire workforce. This culture will be the driving force that will give Terra's business units a unique edge in tomorrow's challenging business environment.

I therefore look forward to seeing the first outcomes from this new focus and business drive have a positive impact on our results in 2017.

Nicolas Maigrot
Managing Director
11 May 2017

Financial Review 102-7

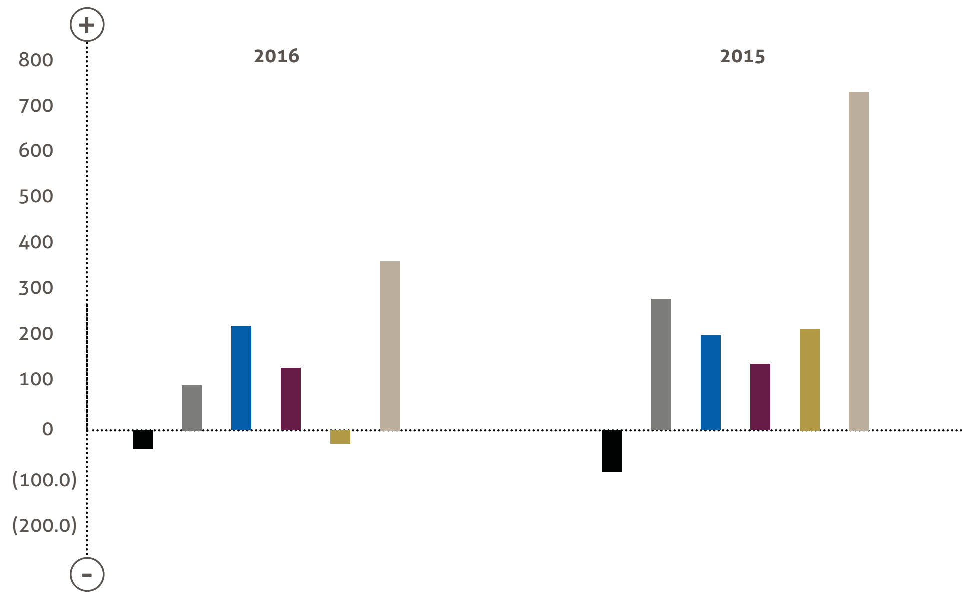
Henri Harel
Group Chief Finance Officer

Income Statement

Group gross profit for the year under review grew by 21.3%, an increase of MUR 234.8 million over last year. The growth achieved by most operating units covered the overall increase in administrative expenses and distribution costs, resulting in an improved profit after finance costs of MUR 381.0 million, an increase of MUR 50.0 million over last year.

This operational performance is due to better results from sugar operations, which benefited from a better sugar price and from an increase in volume of the sale of specialty sugar. The sugar production accruing to the Group also increased by 5,000 tonnes. As from 2016, there was no provision for VRS 2 costs, which were fully amortised in 2015 and amounted to MUR 23.1 million per year. The energy cluster benefited from favourable electricity off-take and good plant efficiency. Commercial operations also posted good operational results, boosted by a better product mix and a wider product offering. Nevertheless, this was curtailed by operational costs associated with the launch of Grays Uganda and the winding-up costs linked with the cessation of business of East Indies Madagascar. Profits generated from the sale of land amounted to MUR 52.1 million, compared to MUR 59.3 million last year.

Segmental Analysis-Profit After Tax (MUR'M)



	2016	2015
Cane - Mauritius	(32.2)	(84.4)
Cane - Côte d'Ivoire	78.4	274.3
Power	219.8	198.0
Brands	125.4	129.4
Others	(23.2)	209.1
Total	368.2	726.4

Income Statement (cont'd)

However, the above good operational performance compares unfavourably with that of 2015 since the 2015 profit included a portion of non-recurrent income from a reversal of impairment of MUR 166.1 million. Profit from associates also dropped by MUR 234.6 million impacted by the poor performance of the companies engaged in construction and investment activities. As a result, Group profit after tax decreased by MUR 358.2 million to MUR 368.2 million.

The above negatively impacted earnings attributable to equity holders by MUR 377.8 million to reach MUR 219.3 million, hence earnings per share of MUR 0.96, compared to MUR 2.62 in 2015.

The Group policy of declaring a sustainable dividend was maintained in 2016. In line with this policy, a dividend of MUR 193.4 million (MUR 0.85 per share) was declared and paid in December 2016.

Balance Sheet

Shareholders' funds stood at MUR 13,306.8 million and net asset per share at MUR 58.5. The land and buildings were revalued in 2016. The Board decided to record their fair value based on agricultural use, adjusted for time, effort and risk at MUR 8.5 billion, excluding investment properties. Current and non-current borrowings net of cash increased by MUR 177.1 million to reach MUR 2,021.7 million, mainly utilised in financing capital expenditure and investments in line with the Group's strategy. Net current liabilities amounted to MUR 86.7 million, including cash and cash equivalents of MUR 337.3 million, an increase of MUR 112.6 million.

Cash Flow

Despite these tough trading conditions, the Group net cash from operating activities increased by MUR 92.0 million to MUR 471.4 million, supported by improved operational performances.

Net cash used in investing activities decreased by MUR 70.7 million to MUR 347.6 million and was mainly utilised to finance the acquisition of plant and equipment, replantation costs and land development expenditure for MUR 466.5 million. Terra also disbursed MUR 154.4 million towards equity investments in Rehm Grinaker for MUR 71.0 million, in the Beau Plan Campus for MUR 56.8 million, in the Inside Equity Fund for MUR 12.4 million, in Inside Capital Partners for MUR 8.9 million, in Terravest Holding for MUR 4.2 million and in Belle Vue Rum for MUR 1.0 million. It also invested an additional MUR 7.5 million in *Société Evapo*, a subsidiary of the Group.

Cash inflows were mainly derived from dividends received, proceeds on property disposals and interest received amounting to MUR 275.9 million.

Net cash generated from financing activities amounted to MUR 124.5 million, made up mainly of additional borrowings of MUR 516.1 million, less loans repayments of MUR 83.1 million and after paying MUR 308.5 million in dividends to Terra's shareholders, as well as to minority shareholders of its subsidiaries.

Overall cash and cash equivalents for the year increased by MUR 248.3 million after taking into consideration the above transactions.

Prospects for 2017

Overall, in line with its strategy, Terra remains focused on its operations, whilst seeking opportunities locally as well as internationally for further developments in these lines of business.

As regards Terra's local sugar operations, sugar prices are not expected to maintain their upwards trend in 2017, and every effort is being made to restructure existing operations to bring about the fundamental changes which are necessary to make them viable in the long term. At present we expect the 2017 crop to be almost at par with 2016. The ongoing restructuring efforts should help to mitigate the impact of a decrease in sugar prices as well as the lower sugar production accruing to the Group. The contribution from sugar operations in Côte d'Ivoire should continue to contribute meaningfully to the overall sugar cluster results.

The electricity off-take from the energy cluster is expected to remain stable and Terragen will pursue its efforts to continually enhance plant efficiency to provide electricity to the grid and improve its operational results.

The Brands cluster will continue to innovate, develop new brands and strive for production excellence in its quest for better productivity and improved profitability margins.

The Real Estate cluster is now structured and operational. Adequate resources will be allocated to support its endeavour to unlock value from land and investment properties in future.

The outlook for the investments in the financial and construction segment appears better for the coming year and a positive turnaround is anticipated.

Terra at a Glance 102-11 102-16

The sustainability of Terra's business model hinges on its ability to maintain its global leadership in the management of a fully-integrated range of activities around the transformation of the cane plant into sugar, energy and other by-products. It is also engaged in the management of a brand portfolio and in the transformation of its land assets into newly-built urban environments.

Terra is organised in four clusters: Cane, Power, Brands and Real Estate. These clusters are autonomous in their decision-making processes, budgeting and reporting, as well as in the day-to-day running of their operations. Their leadership teams are fully accountable for their respective performances, are empowered to develop their businesses, build capacity for growth and reach out for opportunities internationally.

2,003
SHAREHOLDERS

1,393
EMPLOYEES

TOTAL ASSETS
MUR 18,348.4 M

GROUP PROFIT
MUR 368.2 M

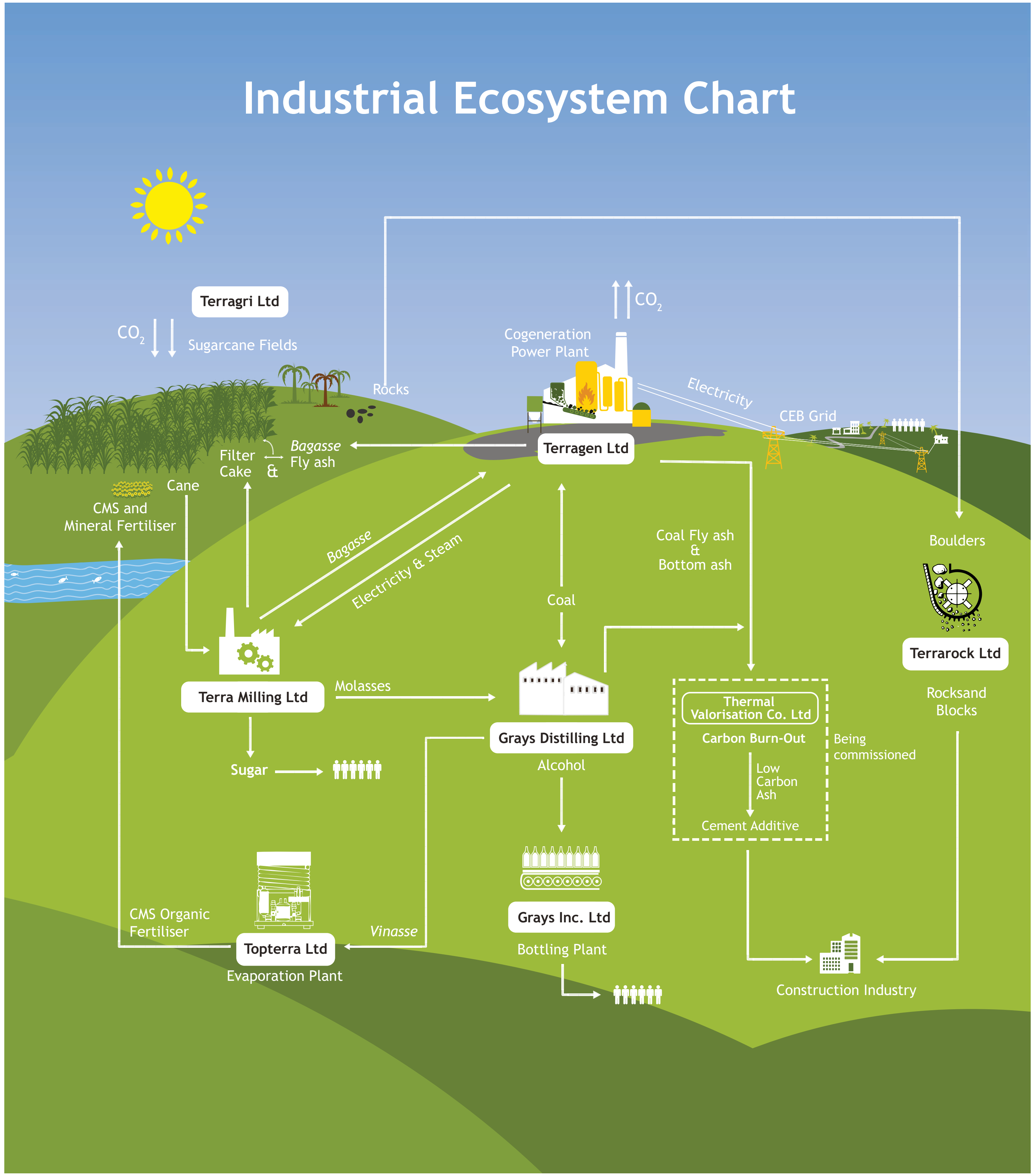
GROUP TURNOVER
MUR 4,860.5 M

Stakeholders 102-40

Environmental Sustainability

Sustainability is at the core of Terra's business model, built around developing the most ecological processes in growing sugarcane. Terra is engaged in a continual process of improving its operations in order to minimise their impact on the environment. It complies with environmental laws and regulations. Terra's approach is in line with the United Nations' recommendation calling for precaution in the management of environmental issues.

Values



CANE

CANE

102-6 102-10

Sébastien Mamet
General Manager (Agriculture)

BUSINESS MODEL

Together, cane-growing and sugar-producing are the foundations of Terra's success. Throughout its history, the resilience of the sugar industry has been tried and tested by the volatility on the world sugar market, as well as by the changes in the country's political and social environment. As Mauritius' preferential agreement for the sale of sugar to the European Union is being eroded, Terra stands to believe in the long-term potential for its cane operations. Its success will come from its leading technological and managerial know-how that has already proven successful in transforming this industry from a single product industry into a fully integrated activity, well poised to address the environmental challenges of the 21st century. Terra is also set to export this know-how internationally.

Environment

Terra's cane operations and the activities that revolve around it are a model for sustainable agricultural operations. The economic and social value of every input and output from the production process is optimised.

We also follow the precautionary approach to environment protection. Therefore, should there be threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

CANE (cont'd)

Key Success Factors

Sales

Our support to the Mauritius Sugar Syndicate (MSS), the owner and seller of Mauritius' sugar production, will enable the development of marketing and branding expertise within the organisation that will foster closer ties with our final clients.

Planters

Reviving the interest of independent cane planters in the growing activity is needed to maintain a regular flow of cane to our mill.

Technology

State of the art technology in the industrial operations, which includes information technology, will place Terra on top of the world list of sugar producers.

Water

Management of the scarce water resources in the North is necessary at a time when other activities are competing for the same resource.

Succession Planning

The smooth exit of our ageing work force, as well as its effective renewal are key to ensuring the long-term success of the industry.

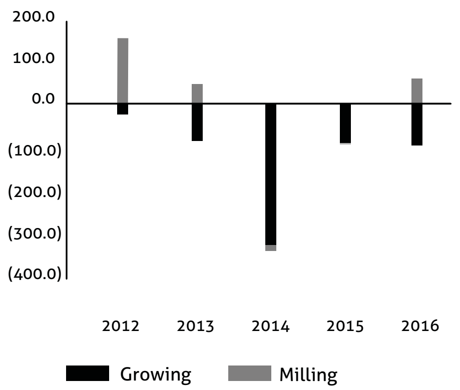
Partnerships

The opportunities for expanding our operations beyond Mauritius will come from partnerships with foreign operators and investors.

YEARLY REVIEW

The Cane Cluster posted improved results in 2016 with profit of MUR 46.2 million. The Mauritian operations incurred losses of MUR 32.2 million, lower than the loss of MUR 84.4 in 2015, supported by a better price of sugar and productivity gains. Our associate company, Sucrivoire, also performed well and its contribution to the Group's profit stood at MUR 78.4 million. This operational performance shows an improvement over the results of 2015 as the latter included a reversal in impairment in value of the investment that is now completed.

Profit After Tax (MUR'M)



	Growing	Milling	Total
2012	(21.2)	149.5	128.3
2013	(75.6)	40.7	(34.9)
2014	(326.9)	(11.2)	(338.1)
2015	(82.9)	(1.5)	(84.4)
2016	(86.8)	54.6	(32.2)

Reversal in the Sugar-Price Trend

After five consecutive years of global sugar surpluses, the 2015/2016 marketing year saw a turnaround in the sugar trade with the beginning of a new cycle of deficits. The reversal in the trend can be attributed to adverse weather conditions that have curtailed production levels in Brazil, Thailand, India and South Africa. Low sugar prices have also worn out the interest of sugar growers in adequately maintaining their fields or investing in them. As a result, the price for sugar has continually risen since it hit a seven-year low in August 2015.

Sugar supplies to the European Union (EU) also fell to 1.6 million tonnes from 2.1 million tonnes in the previous year, due to poor weather conditions in the ACP countries from which sugar is sourced. Sugar production in the EU itself also dropped by 2 million tonnes, cutting stock levels by half.

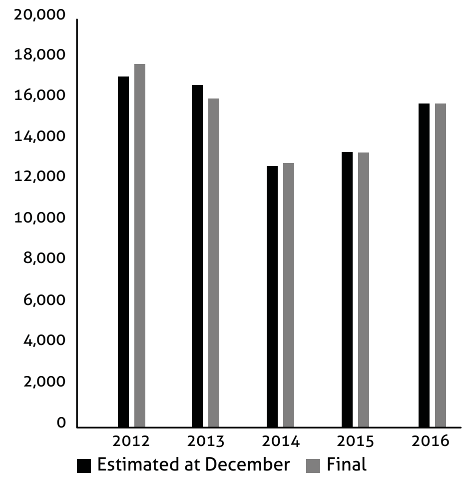
These events made favourable negotiating conditions for the sale of Mauritius' sugar production by the MSS. The average selling price for white refined sugar was 20% higher compared to 2015, while the price of specialty sugars sold in the EU were on average 4% higher. New openings have also been found for the sale of Mauritian sugar to Eastern African countries. Overall, the price of sugar accruable to millers and growers stood at an estimated MUR 15,550 per tonne of sugar, an improvement over the price of MUR 13,166 per tonne for 2015.

Competitive Environment

The market for sugar in the EU is set to become more competitive as production quotas in the EU will be abolished in October 2017. In addition, the present export restrictions for European producers under WTO agreements will be waived and new producers from countries having signed free-trade agreements with the EU are expected to enter the market. This intensified competitive environment calls for a sharper approach to the sale and marketing of Mauritius' sugar production. The MSS has therefore set up a marketing committee, to which millers actively participate, in order to monitor this new approach. The MSS should thus develop enhanced branding and marketing expertise that will support the maximisation of value from the country's production and the building of closer ties with the buyers of Mauritian sugars.

Operational Review (cont'd)
CANE (cont'd)

Sugar Price (MUR per tonne)



	Estimated at December	Final
2012	17,000	17,573
2013	16,500	15,830
2014	12,500	12,693
2015	13,200	13,166
2016	15,550	15,550*

*: Estimated as at date of writing.

The 2016 Crop

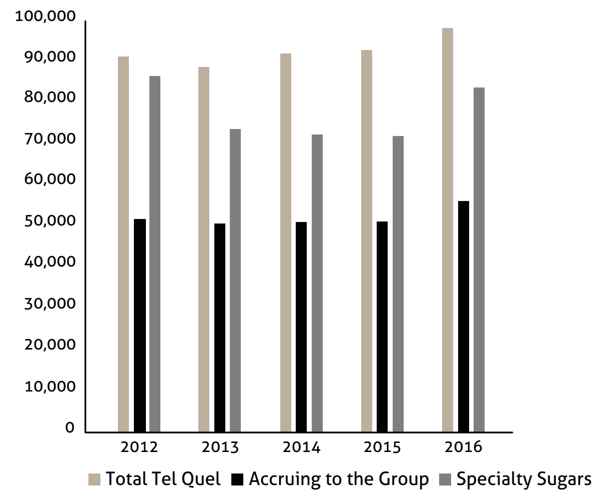
Sugar accruing to the Group amounted to 55,023 tonnes with 33,645 tonnes attributable to growing operations and 21,378 tonnes to milling operations. The price of sugar in Terra's books for 2016 stood at MUR 15,550 against MUR 13,166 per tonne in 2015.

In 2016, Terra Milling produced 96,622 tonnes of sugar *Tel Quel*, of which 84,829 were specialty sugars. This production of specialty sugars was particularly high in 2016 and was helped by a good sales effort from the MSS.

Overall sugar production was exceptionally high due to very good extraction rates of 11.11%, as compared to 9.74% in 2015. These extraction rates offset the drop in the volume of cane processed (876,723 tonnes against 952,304 tonnes in 2015). Of this production, 38,000 tonnes of cane came from neighbouring factory areas.

Sugar Produced by the Mill (Tonnes)

Year	Total Tel Quel	Accruing to the Group	Specialty Sugars
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
2016	96,622	53,023	84,829



Growing

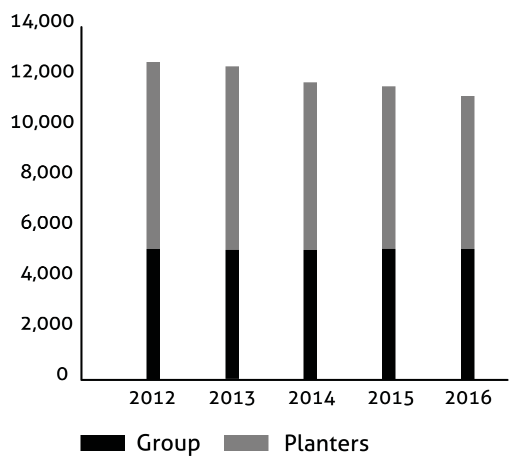
Terragri harvested some 389,001 tonnes of cane in 2016, compared to 391,116 tonnes in 2015. The harvest was largely successful with smooth operations in the fields. The average yield was 8.77 tonnes of sugar per hectare with an average sucrose content of 11.09%. It is worth noting that the average sucrose content over the last five years was 10.46% with an average yield of 8.02 tonnes of sugar per hectare.

As only 40% of its fields are irrigated, Terragri is very dependent on rain water. The weather conditions were good in 2016, which resulted in good cane growth coupled with excellent sucrose content.

Operational Review (cont'd)
CANE (cont'd)

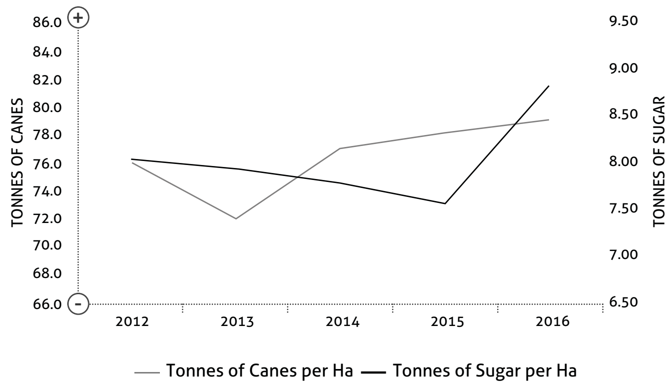
A major project for the year was the cane trash-collection project run in conjunction with Terragen. The aim is to collect half of the trash left over after the cane-cutting process to supply Terragen with a new source of biomass for electricity production. The other half is left in the fields to help retain soil humidity and assist in weed management. The operational aspects of this project were addressed in 2016. However, we are currently still awaiting the regulations to set the price of trash, which will define the revenue accruing to cane growers for its supply. The Mauritius Cane Industry Authority is expected to come forward with these regulations later in 2017.

Harvest Area (Hectares)



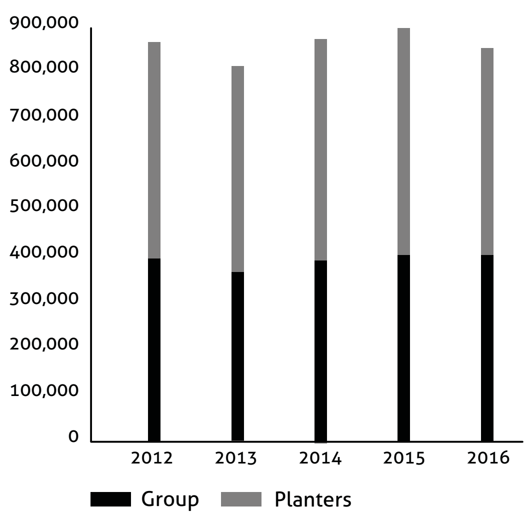
	Group	Planters	Total
2012	4,933	7,539	12,472
2013	4,953	7,341	12,294
2014	4,856	6,718	11,574
2015	4,985	6,718	11,703
2016	4,916	6,116	11,032

Yields per Hectare



	Tonnes of Canes per Ha	Tonnes of Sugar per Ha
2012	76.5	8.05
2013	72.2	7.85
2014	77.3	7.77
2015	78.5	7.63
2016	79.1	8.77

Canes Harvested in the Factory Area (Tonnes)



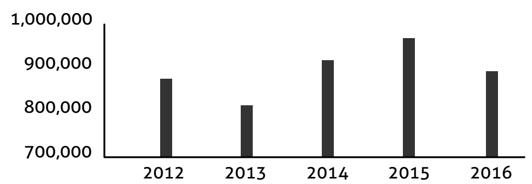
	Group	Planters	Total
2012	377,113	478,725	855,837
2013	357,353	442,792	800,144
2014	375,345	488,830	864,175
2015	391,116	492,288	883,404
2016	389,001	459,500	848,501

Milling

In 2016, the mill performed smoothly, with a regular supply of cane and regular production of sugar. As in 2015, there were relatively few breakdowns. The mechanical efficiency of the mill was also very good. Through careful planning and monitoring, the lorry turnaround time in the factory yard was reduced by half. This also allowed cane suppliers to be more efficient in their transport operations.

Investments are continually being made to achieve better efficiency levels. Thus, a total of MUR 65.0 million was invested in replacing and enhancing the mill's machinery, of which MUR 18.0 million were devoted to energy-efficiency gain, financed by Terragen. This partnership continues to deliver value and allows Terragen to convert more electricity from *bagasse.*

Tonnes of Canes Crushed by the Mill



2012	854,395	
2013	800,993	
2014	905,056	*
2015	952,304	**
2016	876,723	***

*: Includes 54,788 tonnes from Alteo Ltd.
**: Includes 63,800 tonnes from Alteo Ltd and 5,100 tonnes from Médine Ltd.
***: Includes 38,000 tonnes from Alteo Ltd

Terra Milling 103-2 103-3 416-1 417-1

Terra Milling constantly aims to enhance sugar quality not least to meet customer requirements but also to comply with the relevant legal requirements. In having obtained BRC Global Standard Certification since 2007 and in applying the HACCP Codex Alimentarius methodology that involves daily quality control and periodic bacteriological analysis, it ensures that its sugars meet food safety standards and are of good quality. It is also a registered SEDEX B member, 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.

The Mauritius Sugar Syndicate (MSS) encourages communication between Terra Milling and its customers. Second-party audits are also requested by customers to ensure that the sugar production process respects social and environmental aspects. Specialty sugars are packed in 25 kg, 50 kg and one tonne plastic bags that are provided by the MSS. They 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.

Terra Milling complies with laws and regulations in the social and economic area and it was not fined for any form of non-compliance in 2016.

Operational Review (cont'd)
CANE (cont'd)

Immediate Concern

The reduction in the volume of cane crushed is a concern for Terra Milling, as the productivity level of its mill and its specialty sugar production capacity are highly dependent on the volume crushed.

The volume of cane coming to Terra from planters had fallen to some 400,000 tonnes in 2016, as compared to over 600,000 tonnes ten years ago. This is due to the reduced level of activity of small planters, whose interest in growing cane is wearing out at a rapid pace after having recorded poor financial performance several years in a row. Consequently, many have chosen to leave the industry for good.

Terra leaves no stone unturned to help the small planters' community in the North, which is a major stakeholder in the business, in running profitable growing operations. The planters' department is dedicated to supporting these stakeholders by providing them with an outsourced service for technical and agronomical support, renting of equipment and supply of agricultural workers.

The price of sugar on the world market, which is reflected in the price that cane growers and millers obtain in Mauritius, is also a major concern for the local industry. Terra believes that the industry is competitive compared to the rest of the world, but unfortunately the price of sugar is not allowing the industry (including small planters) to make a reasonable return on its investments.

Another major concern is the ageing of the workforce and the lack of interest of the younger generation to work in the fields. This situation is being closely monitored by the Human Resource Department.Other alternatives are being considered and discussed with the respective authorities to tackle this issue.

Last but not least is the availability of water for irrigation. Although the volume of cane in the fields is highly dependent on water, Terra is only operating a deficit irrigation system due to the limited supply of water. Consequently, it is setting up a water strategy to retain/conserve more water and to optimise its use throughout the year.

Côte d'Ivoire Operations 102-4

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 Ivoirian partner, SIFCA.

In October 2016, the Government of Côte d'Ivoire sold its 23% stake in Sucrivoire to the public. Hence, Sucrivoire was listed on BRVM exchange market on 29 December 2016. To date, the Government of Côte d'Ivoire is no longer a shareholder in Sucrivoire.

Sucrivoire posted a net profit of 4.3 billion CFA Francs (Euro 6.56 million) for 2016, lower than its 2015 profit.

Political Environment

Terra's confidence in the potential for business in Côte d'Ivoire was reinforced by a number of changes pointing toward 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 7.9% growth in GDP for 2016 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.

Operations

The initial forecast for a production of 97,000 tonnes of sugar for the 2015/2016 crop was not reached because of an accidental fire which broke out in the Zuenoula factory. Thus, production on the Borotou and Zuenoula sites dropped to 86,339 tonnes for 2015/2016, against 95,304 tonnes for the previous season.

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 better than expectations.

The domestic market is growing fast and is now beyond the factories' production capacity. Sucrivoire had to import 10,000 tonnes of sugar to supply the market.

Sucrivoire sold 102,465 tonnes (9,208 tonnes of imported sugar and 93,256 tonnes of its own production), compared to 93,946 tonnes in 2015.

In spite of the import of sugar, Sucrivoire almost had no stock left by October and has not been able to cover the market expectations during that month.

As a result, Sucrivoire's turnover rose to 50.9 billion CFA Francs (Euro 77.6 million) in 2016 against 46.1 billion CFA Francs (Euro 70.3 million) in 2015.

On the investment side, in order to follow the market and also improve its competitiveness, Sucrivoire has initiated a wide agricultural and industrial investment program with the aim to increase its production capacity.

Prospects

The initial forecast for a production of 94,000 tonnes for season 2016/2017 is not likely to be met, due to the fire that occurred last year in Zuenoula factory. Indeed, part of the harvest was delayed, thereby creating a shift in sugar production.

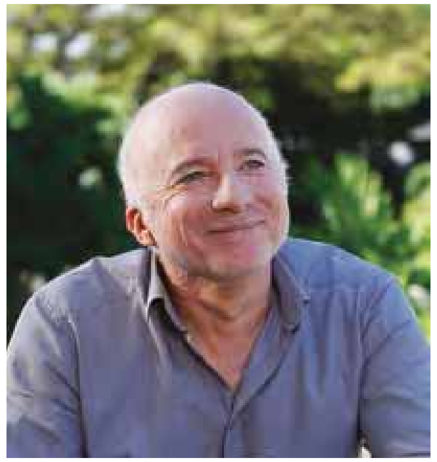
Sucrivoire has a strategic plan to grow its production from around 90,000 tonnes of sugar to 160,000 tonnes. This development will be organically financed.

Outlook

As things stand at the time of writing, the crop for 2017 in the north looks at par to 2016. Indeed the months of March and April 2017 witness good rainfalls which were very beneficial to the growth of cane. The overall success of the crop is however subject to a large number of uncertain factors such as weather conditions for the rest of the year and sugar prices, in Europe particularly. On this note, preliminary discussions with MSS seem to indicate that the potential demand for our specialty sugars in 2017 will be similar to 2016, which is encouraging.

In spite of the sugar industry's current low profitability, Terra firmly believes in the industry's long-term prospects. By building a strong operational base in Mauritius and in Côte d'Ivoire with adequate succession planning and strategic focus, Terra will continue to invest in the cane industry in Mauritius and abroad.

POWER



POWER

102-6 102-10

Jean-Michel Gérard
Power Plant Director

BUSINESS MODEL

Terragen is a power producer that supplies electricity to the Central Electricity Board (CEB) as well as electricity and steam to Terra's mill. It generates such electricity and steam from burning *bagasse* and cane trash during the crop season, and coal to supplement these materials all other times.

Terragen in Figures

CAPACITY
450
GWh

SOLD
431
GWh

COAL
192,771
tonnes

BAGASSE
294,000
tonnes

CANE TRASH
4,345
tonnes

EMPLOYEES
49

POWER (cont'd)

Key Success Factors

CEB and Terragen

Availability and Reliability

Providing a regular and reliable supply of electricity to its two customers is at the centre-stage of Terragen's business model. Availability means that Terragen commits to respond quickly and efficiently to calls for production from the CEB. Reliability means reducing to a minimum the incidents of breakdown and, in the case of a breakdown, ensuring it translates into minimal disruption to the client's operations with a quick return to production.
Meeting these objectives requires that Terragen gives thorough and continual attention to risk management, to operations and to maintenance. These are addressed with a thorough quality-security-environment monitoring programme for all the power plant's operational processes. Such considerations are also regularly addressed at weekly and monthly management meetings and monitored by the Board of Directors.

24

Terragen

Greening of Processes

The use of biomass, such as bagasse and cane trash, as raw material for the production of electricity is central to providing Mauritius with a renewable energy supply and in supporting the sustainability of its agriculture. Coal is also a raw material that feeds Terragen's power production. Terragen is continually looking for opportunities to reduce the proportion of coal in its process and support the increased use of biomass. Close attention is also given to improving the operations in order to reduce the emission of dust and other particles as a result of the combustion process.

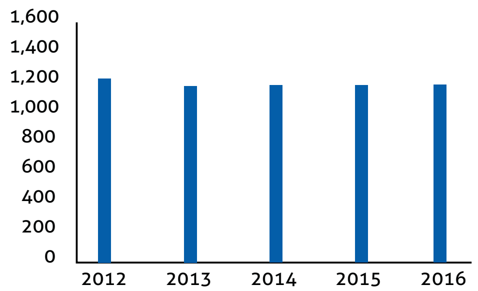
Financial & Technical Support and Expertise

With Terragen's plant working close to its peak capacity, opportunities for revenue enhancement derive from the optimisation of the power plant's efficiency. This comes from the investments made in Terra Milling's energy efficiency programmes that are meant to reduce Terra Milling's share of Terragen's energy, thereby releasing spare capacity for sale to the CEB network.

YEARLY REVIEW

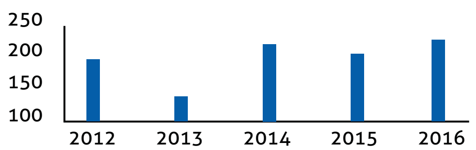
Terragen's profitability increased to MUR 219.8 million in 2016 as a higher level of production translated into a turnover of MUR 1,127.6 million. The plant produced 431 GWh of electricity as off-take from the CEB increased.

Turnover (MUR' M)



	MUR'M
2012	1,181
2013	1,116
2014	1,120
2015	1,118
2016	1,128

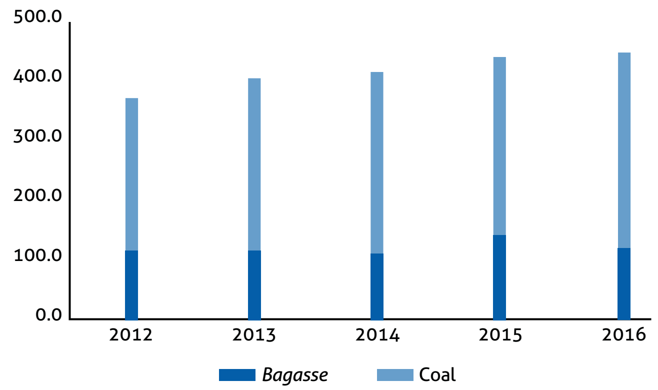
Profit After Tax (MUR' M)



	MUR'M
2012	185
2013	132
2014	213
2015	198
2016	220

This level of production is close to the plant's peak capacity that stands at 450 GWh. Given the reduced room for increase in production, Terragen's improved profitability has come mainly from the attention given to cost containment and process enhancement.

Energy Produced (GWh)



	Bagasse	Coal	Total
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
2016	111.3	319.5	430.8

Efficiency

Terragen's main driver for productivity came from investment of MUR 18.0 million in the mill, which increased Terra Milling's energy efficiency. It led to a reduction in the quantity of steam necessary to support Terra Milling's production, thus releasing spare capacity for the production of electricity for sale to the CEB. In addition to the productivity gains, this project has a positive environmental impact as fewer resources are necessary to generate the same output.

Investment was also made in the regular maintenance and upgrade of the plant's equipment in order to improve its reliability and availability. A fault detected in the alternator in 2015 highlighted the need for its upgrade, as well as for the purchase of a second one to back up the process in case of breakdown. The cost of this equipment amounted to EUR 1.0 million (MUR 37.0 million).

The purchase of an emergency source of electricity supply, in the form of an automatic stand-by generator set, has added to the safety and security of the power plant, mainly in respect of protecting the turbine and countering fire.

Green Projects

The highlight of 2016 was the increased use of cane trash as biomass in the production of electricity, as part of a wider project for increasing the use of renewable resources for electricity generation in Mauritius. A total of about 5,000 tonnes of trash was thus collected in 2016 and Terragen anticipates doubling this quantity in 2017.

This project required the setting up of collaborative work practices with Terragri's field teams for the collection, compacting and transport of the trash. Moreover, the use of cane trash as a raw material, as opposed to *bagasse* or coal, required an adaptation to Terragen's production system to address some technical challenges, such as the management of the level of humidity and the high quantity of sugarcane in the trash. In so doing, Terragen started exploring new processes and developing internal know-how on the specificities of using cane trash as a biomass.

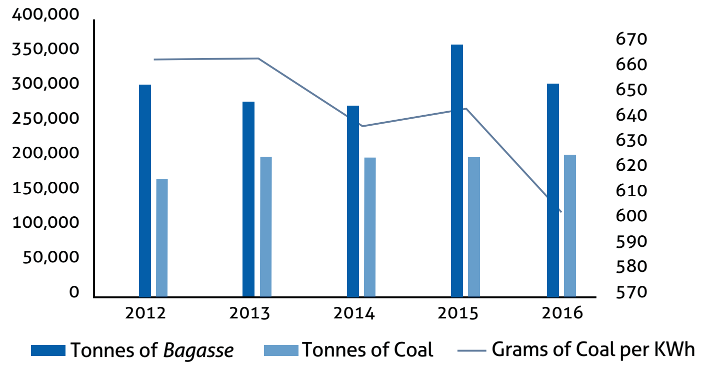
The success of this project in greening the production of energy in Mauritius hinges upon its extension to small planters. This will become possible once a national formula for the remuneration of growers who supply the trash to independent power producers has been determined. This is being examined at the level of the Mauritius Cane Industry Authority, which is expected to submit a proposal during the course of 2017.

Ultimately, through the trash project, Terragen will have the potential to reduce coal consumption by some 15,000 tonnes. Further, from the experience in running this project in Mauritius, Terragen has now been called to provide consulting services to cane growers and power producers in Reunion Island and other countries in the Southwest Indian Ocean region.

Another ongoing project, with both potential economic and environmental impact, is the carbon-burn-out project that is a joint venture between

Terragen and Omnicane, which is at commissioning stage. This project is aimed at collecting ash which is a by-product of coal combustion, with 10-25% carbon content, to pass it through a re-burning process, following which it can be transformed into raw material for the production of cement. With this process, the carbon content is reduced from 10-25% to below 6%. This would be of considerable environmental value.

Coal and *Bagasse* Consumption



	Tonnes of *Bagasse*	Tonnes of Coal	Grams of Coal per KWh
2012	290,819	165,899	663
2013	274,028	189,759	663
2014	269,298	188,415	634
2015	356,795	188,744	641
2016	294,000	192,771	603

International Outreach

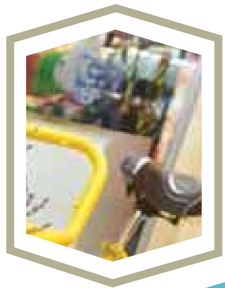
In conjunction with its partner, Albioma, Terragen's expertise in managing the power component of an integrated production process for the cane-growing industry has the potential to be sold overseas. Terragen's Process and Operations Manager was therefore seconded to Martinique for consulting support to a 100% biomass project.

Such projects provide scope and opportunities for expansion and also an opportunity for members of the team to grow into more technical or leadership roles. It also supports our human resource strategy to develop rotation of roles in support of the need for enhanced reliability in the production process as a whole.

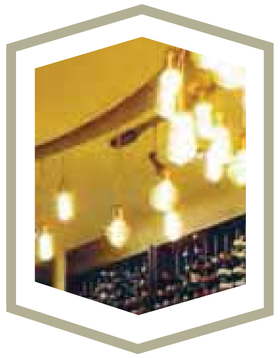
Outlook

In 2017, Terragen intends to continue the implementation of all the above-mentioned projects. As the plant reaches its maximum capacity, improvements will come from the additional efficiency generated from these projects.


L'OCCITANE
EN PROVENCE




LAZY DODO
MAURITIUS ISLAND RUM
LAZY DODO
MAURITIUS ISLAND RUM



BRANDS

BRANDS

102-6 102-10

Alexis Harel
Managing Director

BUSINESS MODEL

Brand management is our most effective route to value creation. We maximise value through creating, developing and managing our own brands, which is our preferred choice. Additionally, expanding our portfolio with third party brands provides Grays with scope, expertise and volume.

We also seek to reach out to the end consumer by managing a network of stores for the distribution of wines and spirits, as well as personal care and cosmetics. In so doing, we optimise our contribution to the value chain behind our brands. We also nurture strong relationships with retailers who ensure the wider coverage of our brands across the island.
Integrated and sustainable production, as well as the management of an import supply chain, provide the operational grounding to the brands.

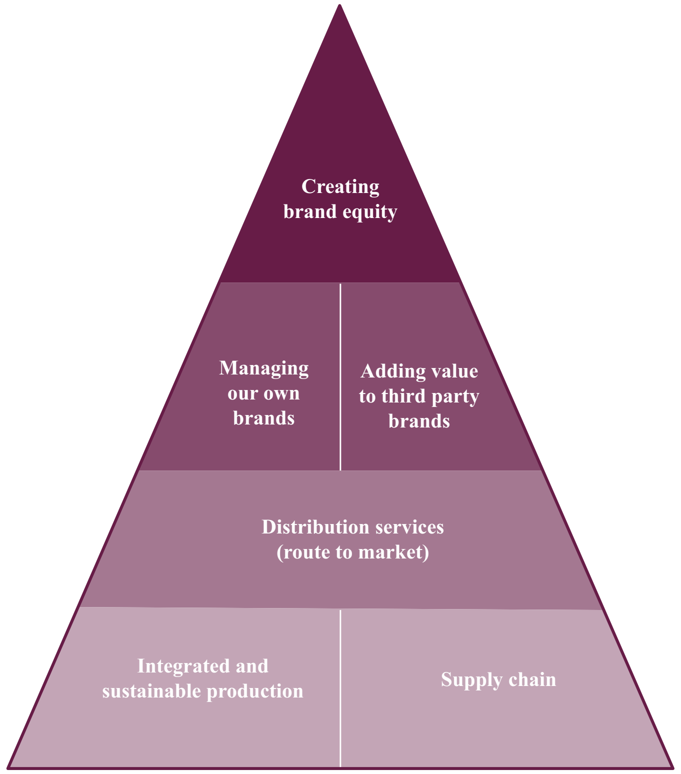
Vertical Integration

Through its distilling activities, Grays brings synergy to the Group’s sugar operations by transforming by-products of the sugar production process into value-added products, such as spirits. Our endeavour is now to export this know-how to other sugar-producing countries in managing this vertical integration of industrial activities, as well as in managing brand equity.

Our People

Our production and distribution activities are very labour-intensive. Building close-knit ties with our 526 employees is therefore at the heart of our business. Over the years, we have a developed a unique in-house work culture that places Grays as employer of choice in the North of Mauritius.

Value Creation Pyramid

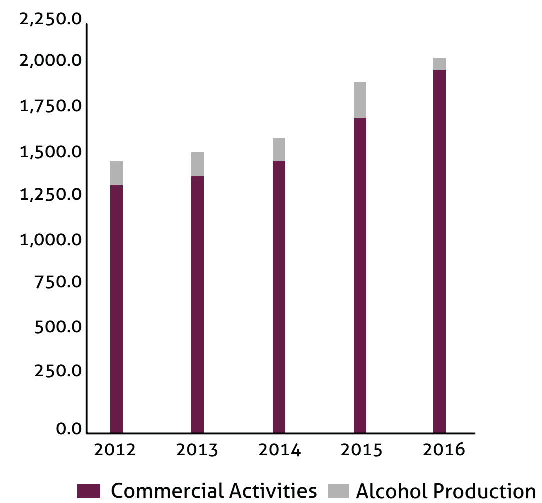


YEARLY REVIEW

The Brands segment’s turnover saw steady growth in 2016, reaching MUR 2,071.6 million, against MUR 1,857.1 million in 2015. The segment posted a profit after tax of MUR 125.4 million in 2016, down by 3.1% from 2015, when it stood at MUR 129.4 million.

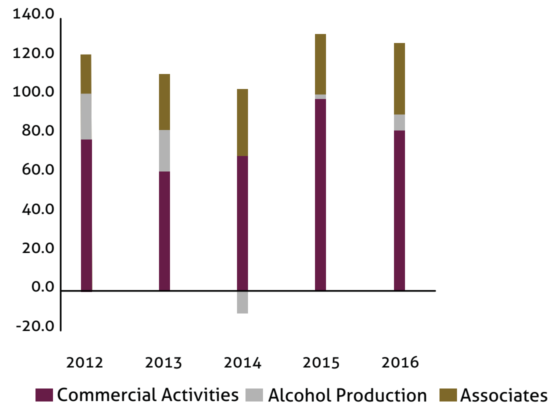
The performance compares well against that of the Mauritian consumer market, marked by a slide in consumer confidence, particularly at the end of the financial year when sales during the holiday season were below expectations.

Turnover (MUR ‘M)



	Commercial Activities	Alcohol Production	Total
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
2016	1,923.2	148.4	2,071.6

Profit After Tax (MUR ‘M)



	Commercial Activities	Alcohol Production	Associates	Total
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
2016	79.7	7.8	37.9	125.4

Brand Management

In 2016, Grays began a comprehensive review of its brand portfolio to better analyse and monitor each brand’s sales performance and profitability. When completed, the exercise will lead to decisions to reinforce the most promising brands, and, eventually, to drop the less performing ones.

The upgrade of the Seven Seas packaging was completed, comforting its position as the leader in the premium cane liquor market and as Grays’ main driver in its segment of the market. Overall, there were encouraging results from the brands that Grays owns and manages. The company’s premium rum brand, *New Grove*, has gained international recognition for its quality and continues to improve its standing, reflected in growing sales volumes. It also created a new brand, *Lazy Dodo*, in a joint venture with French partners. *Lazy Dodo* appeals to a trendy, previously untapped, segment of the market. The launch was successful and the brand will broaden Grays’ rum range and increase sales potential. Within this portfolio, the best performing products are the aged rums. Grays is therefore further developing the ageing process and cellars in order to maximise value.

Operational Review (cont'd)
BRANDS (cont'd)

The company's range of whiskies also recorded satisfactory sales. *George Cambridge*, launched in late 2014, contributed significantly to the portfolio. The year also confirmed the good fit of the *Lays* brand into our snacks division, performing well alongside spirits.
The brand management team was reinforced with a number of young and experienced marketing professionals who will add fresh focus and creativity.

Distribution

Expanding control over the value chain by reaching out to the end consumer has been the cornerstone of Grays' distribution strategy in recent years, supporting both its own brands as well as international brands it actively markets. The launch and expansion of the *20/Vin* network of stores supports this strategy in the wines and spirits market. A new store was opened in the renovated Phoenix Mall, bringing the number of stores the company operates to nine. Two new stores were furnished in Floreal and Black River in replacement of the old shops. Going forward, the challenge in this sector is to attract experienced and committed sales people. Two sommeliers have been recruited to raise and consolidate the team's know-how, as their role also includes the training of the sales team for an enhanced customer experience. Strong sales were also recorded in the company's *L'Occitane* stores, confirming the brand's strong standing in the upmarket segment of the cosmetics market in Mauritius. The *Cocoon* store in the Caudan Waterfront also registered a satisfactory performance. Although the shop carries the company's brand name, the products offered for sale are global luxury brands. The focus of attention during the year under review was the efficiency of operations, and a comprehensive activity-based costing analysis was conducted across all departments. The results have indicated the strengths and weaknesses of the performance of our teams and brands, and will support the rationalisation of activities.

Production

In 2016, although there were important improvements compared with 2015, Grays Distilling recorded sub-optimal results due to recurring boiler breakdowns that caused continual disruptions to production, thereby eroding yields. Since then, a new boiler has been bought and installed in March 2017, which will contribute to bringing yields within a more acceptable range.

Grays also initiated a comprehensive quality, safety and environmental programme that will be instrumental in supporting Terra's commitment to the environment and to its stakeholders.

Export

Grays' engaged in a new venture in exporting its know-how by setting up a production and distribution unit for spirits in Uganda, with raw materials coming from Mauritius. The take-off was slower than expected, with several disruptions that showed the company is still on a learning curve. Management is confident that, as it develops a better understanding of the local conditions, the unit will reach profitability.

The partnership for the distribution of wines and spirits in Seychelles has performed well. Providence Warehouse delivered encouraging results, recording after tax profit of SCR 6.0 million (MUR 16.9 million) and Grays is aiming to increase its stake in the company.

Grays successfully withdrew from its operations in Madagascar, transferring them to a third party. This decision was motivated by good governance principles, which had precluded the company from growing its business.

Management

2016 saw the retirement of Grays' Managing Director, Alain Vallet. Under his leadership, Grays grew from a side-line to sugar operations in the 1980s to a comprehensive, professional organisation with a business model that is firmly rooted in the new Mauritian economy. For this, he fully deserves the Group's gratitude and a peaceful retirement. He was succeeded by Alexis Harel, whose missions include optimising value created so far and also to look for opportunities to further expand operations by exporting Grays' know-how internationally.

Outlook

2017 has started on a positive note, with business confidence indicators pointing up again.

The company is currently extending its warehouses by some 1,000 m^2, to cope with growth and increase efficiency by centralising all distribution. In order to answer to growing demand for aged rums, Grays is embarking on a large-scale maturing cellar, which will be built adjacent to existing facilities in Beau Plan. The aim is to provide quality aged rums for both its own brands and to third parties, with the objective of fostering the Rums of Mauritius label of origin internationally. The target is to reach some two million litres in our new cellar, requiring investment in excess of MUR 250.0 million over the coming five years. As it is strictly geared to the export market and to ensure the viability of the venture, the company is working closely with the authorities to obtain the necessary permits.

Grays Inc. and Grays Distilling 103-2 103-3 416-1 417-1 417-3 418-1

Grays is currently implementing an integrated management system based on ISO 9001, ISO 14001 and OHSAS 18001 standards to help enhance its performance in environmental management and in the production process and sales, and ensure employees' safety and health. Its New Product Development Committee meets on a weekly basis to ensure the development and release of safe products, as well as customer satisfaction.

Grays Inc. and Grays Distilling are subject to specific laws and regulations related to their operations, including import, storage, sale and export of items. These include the Public Health Act 2009 and the Food Act 1999, which enforce the safety and health aspects of products. The production of alcoholic products for the local market is controlled by the Ministry of Health and Quality of Life while those for export are subject to laboratory controls to make sure they meet customers' requirements.

Under the Food Act 1999, food items require pre-market approval before their sale to ensure that ingredients are within national acceptable limits. Similarly, pharmaceutical and para-pharmaceutical products require the Pharmacy Board's approval. There is currently no legislation with regards to cosmetic items.

In addition to the current methods of receiving customer feedback to enhance performance, Grays is currently looking into customer-relationship management tools to enable the call centre department to enhance its services to clients and ensure the follow-up of requests/complaints.

The sale and labelling of alcoholic products are controlled by the Excise Act 1994 and Custom Act 1988 that provides the requirements of labels by type of product. Labels are approved by the Customs Department before their display. All alcoholic products display a health warning as per section 193 of the Public Health Act 2009. Most of the labels contain information related to the inadvisability of drinking alcohol during pregnancy and to bottle recycling. Labels of food items contain information on ingredients and nutritional value.

Grays always ensures compliance with Public Health (Prohibition on Advertisement, Sponsorship and Restriction on Sale and Consumption in Public Places of Alcohol Drinks) Regulations 2008. 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, and no fines were paid in 2016. Similarly, there was no complaint regarding breach of customer privacy or loss of data. There were also no incidents of non-compliance with laws and regulations in the social and economic area.

Topterra 103-2 103-3 204-1

Topterra's proportion of spending on local suppliers at its significant operational locations was 60% in 2016. It has a purchasing policy that prioritises reliable local suppliers (within a 10 kilometre radius), with whom there is a credit facility offer. Its headquarters provides support related to internal inspection controls to ensure this policy is respected.

REAL ESTATE

REAL ESTATE

102-6 102-10

Nicolas Eynaud
Real Estate Development Executive

BUSINESS MODEL

Integration drives value. This is the core belief which inspires us in setting up a new property-development cluster that will initially foster the transformation of the Beau Plan region and its surroundings into a futuristic urban environment, serving the northern districts.

Though other areas, such as Pointe-aux-Piments and Belle Vue, have been identified for development, the immediate focus is on Beau Plan. Terra wants the prospective owners of its land to live, work and play in this new town. It also wants them to blend into the existing community, thereby adding vibrancy to the Pamplemousses area and its historical botanical garden, the sugar museum and the business park. The upcoming addition of a university campus and, looking forward, of many other urban facilities will further add to the attractiveness of the area. The facilities will include schools, office parks, retail outlets and recreational areas, clinics, sports facilities, cultural activities, creative industries and a mix of residential products.

As this vision unfolds, the community around Beau Plan should enjoy better employment opportunities, for which Terra is committed to provide support in terms of training and development. Besides, it is expected that Terra's lands, as well as its neighbours' lands situated in the vicinity of these developments, can expect better economic returns at each upcoming stage of development, contributing to the enhancement of the country's overall wealth.

Road Map to Development

We have decided on a staged development process that has started with the recruitment of a high-profile team of property-development and management professionals. The team has many positive factors working for it, as well as a number of challenges to overcome.

Tailwinds in our Favour	Challenges
Favourable legal framework and new incentives from new schemes. Terra holds a letter of comfort from the Board of Investment for the development of its smart city in Beau Plan.	Though adequate measures are being taken by government, the permit process remains challenging. Its success hinges on establishing efficient partnerships between the public and private sectors.
The geographical location of Beau Plan, midway between Grand Bay and Port Louis, with good commercial visibility along the M2 and easily accessible by the new Terre-Rouge-Verdun motorway.	Lack of critical mass in the vicinity. Mobility in the area is presently supported by cars and relies heavily on public transport. Though the area is serviced by some ten bus routes, the development of more efficient transport facilities is required to build an environmentally-friendly urban area.
L'Aventure du Sucre, the Pamplemousses Garden and the Beau Plan Business Park, together with the African Leadership College project, are already drawing people to the area.	The need to rapidly implement a mix of facilities so that the area becomes an obvious choice for entrepreneurs to develop or relocate their businesses.
The demand for modern and futuristic living is strong, supported by both Mauritian and foreign buyers.	The competitive environment is expected to be tough as non-citizens favour coastal regions. This gap will be filled when the development at Pointe-aux-Piments starts. The local market for such residential units is growing but remains limited.

Operational Review (cont'd)
REAL ESTATE (cont'd)

YEARLY REVIEW

Nicolas Eynaud was recruited in January 2016 to manage the Real Estate cluster, a new addition to Terra's range of strategic activities.

The first step taken was to carry out a detailed review of existing land and building assets, and their then management structure. In so doing, Terra's Real Estate department integrated the members of the former Sagiterra team. Sagiterra has been downsizing its activities, with a mission to meet its ongoing commitments only.

The priority has been to strengthen the new team with a number of professionals to support more ambitious land-management services and land-development activities, as well as to foster the marketing of the planned development and its financing. The core team is in place and is expected to be fully operational by mid-2017.

Ambition

The ambition behind Terra's flagship project, the Beau Plan Smart City, is to transform the region into a well-structured and qualitative urban area for the benefit of the whole northern part of the island. In the execution of the project, several challenges have had to be addressed, including the permit process. So far, Terra holds a letter of comfort from the Board of Investment, a testimony to the Government's commitment to supporting Terra in this development. Going forward, close working with all concerned ministries and authorities will support the achievement of Terra and the Government's common goals. In this respect, the measures being implemented by Government, in terms of business facilitation, will help to speed up the processes involved in land development.

Terra has been actively engaged in reaching out to potential partners sharing its vision of an integrated urban area in and around Beau Plan. The African Leadership College has settled temporarily in the premises of the business park while the construction of its own buildings has started. They are due to be delivered in December 2017. Meanwhile, Terra continues to identify partners with their own expertise to develop there or relocate their activities to Beau Plan.

Existing Activities

Carried forward into the cluster is the management of subsidiaries formally reported under the property section. As mentioned earlier, Sagiterra is downsizing its activities. This subsidiary is engaged in a number of projects that it is committed to complete. There is also a court case against Sagiterra, on which we reported last year. The outcome of this case is still pending before the commercial court and a judgement thereon is expected by end 2018. Terra will meet all its legal obligations with regards to the activity of this subsidiary.

Terra's subsidiary, Sugarworld Ltd, operating under the brand name *L'Aventure du Sucre*, runs a museum showcasing the history of sugar operations in Mauritius. It posted a turnover of MUR 85.0 million, up 21% from 2015, which originated from the sales of tickets museum, the restaurant and the shop. The site realised a net profit of MUR 10.4 million as compared to MUR 3.0 million in 2015. The improved financial results are attributable to the three poles which performed better, thanks to the increase in visitors to the site.

As a result of the restructuring, the activities of Terrarock and Rehm Grinaker are now reported in the Investment section of the Annual Report.

Outlook

With its road map for real estate development now in place, Terra looks forward to releasing more news of positive developments as each project contributing to this integrated vision takes shape. However, these are long-term plans. In the next few years, real estate activities will be supported by revenue from the sale of some non-strategic land. While this revenue will be modest, it will ease the cash-flow needed to implement the core infrastructure of the Smart City and will be partly re-invested in future yielding assets. The investments that will be made in the period leading to the actual sale or rental of products within this project are an essential part of Terra's strategy to create long-term value.

Sugarworld 103-2 103-3 204-1 416-1 417-1 417-3 418-1

Providing a safe environment is one of the company's top priorities. Measures taken to this effect include preventive maintenance of the site, food-handler certificates 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.

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 2016. Information boards display information concerning tariffs and visit tips summarising essential information on each theme, as well as special booklets for children. The restaurant menu card is clear with the main ingredients listed. Customers are encouraged to ask questions to restaurant staff regarding the menu. Items in the Sugarworld boutique have labels providing basic information about them, for example the origin of sugar and regulated labels on alcoholic drinks. Some of the packaging also contains a recycle logo to encourage customers to recycle paper after using the product.

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 was 99% in 2016. Most of the products and services purchased in Mauritius were from the regions around Sugarworld.

Care is taken to comply with all applicable regulations related to the social and economic areas. The company is also governed by the Data Protection Act 2004 that ensures compliance with the protection of personal data. There were no incidents of non-compliance in 2016.

Sagiterra 103-2 103-3 418-1

Sagiterra fully complies with all the applicable laws and regulations, including the Data Protection Act 2004 owing to the nature of its activities. It ensures compliance by constant follow-up of a programme of work for each project, regular progress-of-work meetings, systematic verification of all the conditions of the applicable licence and addressing any environmental and social neighbourhood issues during construction works. No complaints were recorded in 2016 on breaches of customer privacy and losses of customer data. There was also no non-compliance in the economic and social area.

INVESTMENTS

INVESTMENTS

102-6 102-10

Construction

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

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 2016 increased by 29.5% to MUR 190.4 million, supported by the dynamism in the construction industry in the North of the island. This led to an improvement in gross profit and to a profit after tax of MUR 36.8 million, up by MUR 19.8 million from 2015.

Terrarock 103-2 103-3 417-3 418-1

Terrarock complies 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 2016. 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.

Rehm Grinaker

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 2016 amounted to MUR 56.6 million against a loss of MUR 8.1 million in 2015. The deterioration in profitability and, consequently in cash flow, has required RGC to consolidate its capital. Terra therefore contributed to RGC's recapitalisation to the level of MUR 71.0 million, with shareholding remaining stable as all shareholders participated in the issue.

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. Group's share of profit for the period ending 31 December 2016 amounted to MUR 1.3 million.

Finance

AceTer Global

AceTer Global Ltd provides expert guidance on structuring and managing the business and wealth of its clients, with the highest ethical standards and punctual and cost effective services. The objective of the company is actually to focus strongly on business development, particularly new products.
AceTer achieved a turnover of MUR 15.4 million for the financial year 2016 compared to MUR 8.4 million for the financial year 2015. Profit after tax stood at MUR 1.0 million, compared to a loss of MUR 0.6 million in 2015.

AceTer Global 103-2 103-3 417-1 418-1

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 signing up a client. It carries out ongoing audit checks on the adequacy of AML/CFT policies and continuously develops internal controls based on its findings.

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 (RBS) Framework, which caters for both compliance-driven and risk-based supervision. Customer privacy is respected at all times as all client files are kept under lock with limited staff access. No files leave the premises of the company, unless authorised by a director. Data on servers are password-protected with limited access.

Terra Finance

Terra Finance operates under a Treasury Management Licence from the Financial Services Commission. 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 1.6 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.

Operational Review (cont'd)
INVESTMENTS (cont'd)

The Swan Group

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 77.8 million (2015: MUR 88.7 million).

Excluding an exceptional gain on the derecognition of a financial asset in 2016, Swan's long-term operational surplus for the year decreased by 5%, reflecting the impact of persistent low interest rates and volatile equity returns affecting investment income. Swan nonetheless maintained a good performance on both gross and net premium income.

Swan's life assurance activities were impacted by macroeconomic trends, namely the reduction in households' disposable income that eroded savings available for investment in financial products and by the competition from investment in tangible assets. Its offer remains nonetheless competitive and the life assurance fund rose by 7.4% to reach MUR 34.5 billion in 2016.

Gross premiums earned by the Swan group increased by MUR 715.0 million to reach MUR 6.4 billion. The group's profit for the year attributable to the owners of the parent company decreased by MUR 26.7 million to MUR 230.7 million reflecting the unusual spate of claims experienced during the first half of 2016. The health and motor components were impacted by the higher frequency of claims and the increased cost of repairs respectively. The underwriting surplus registered a drop of MUR 51.0 million to level at MUR 442.0 million.

Banyan Tree Bank

For the year ending 31 December 2016, BanyanTree Bank, in which Terra holds a 9.99% stake, registered a profit after tax of MUR 33.2 million, against MUR 127.9 million in 2015. The drop in profit is mainly attributable to the re-balancing of the bank's investment portfolio resulting in lower revenues. Total assets amounted to MUR 6.0 billion and net interest income reached MUR 247.7 million. The Bank's capital adequacy ratio at 31 December 2016 stood at 12.12% and deposits were worth MUR 2.8 billion. The Bank's loans and advances book increased from MUR 416.0 million in 2015 to MUR 744.0 million in 2016, representing a growth of 79% over the year.

Other investments

United Investments (UIL)

The Group holds a 29.03% stake in United Investments Ltd (UIL), a holding company with investments in various sectors of the Mauritian economy, namely financial services, hospitality, agriculture and technology. At 30 June 2016, the fair value of UIL's investments amounted to MUR 3.1 billion and the net equity attributable to equity holders of the parent stood at MUR 1.9 billion. The impairment and write-offs of receivables led to a loss, the Group's share of which amounted to MUR 30.1 million as compared to a profit of MUR 49.6 million in 2015.

Investments in the financial services industry continued to consolidate their market share in their respective lines of business and delivered strong results. Attitude Hospitality delivered a substantially improved profit for the year ended 30 June 2016. The investments in services to the agricultural and manufacturing industries enjoyed mixed results and are being streamlined.

In order to finance UIL's investment programme, including the planned launch of a private bank, and to finance its cash flow requirements, UIL successfully launched a MUR 500 million rights issue in the first quarter of 2017, to which Terra contributed to the level of MUR 145.2 million.
A reorganisation of UIL's activities in two separate listed entities, one for financial investments and the other for non-financial activities, is also being prepared.

Terravest 102-4

Terravest is a company engaged in the water and sanitation industry, manufacturing polymer tanks and pipes mostly in East Africa. Terravest now operates five plants located in Kenya, Uganda, Rwanda, Burundi, Zambia and two depots in the Democratic Republic of Congo and South Sudan.
Despite challenging trading conditions, 2016 saw a marked improvement in Terravest's sales and profit margins, resulting in a profit after tax of USD 225,000 in 2016, against a loss of USD 534,000 in 2015.

Harel Mallac (HMC)

HMC is a publicly-quoted conglomerate in which Terra holds directly and through holding entities over 26% of its capital. However, Terra 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 77.5 million for the year to December 2016, compared to a loss of MUR 58.8 million in 2015. Terra received a dividend of MUR 5.0 million from HMC for 2016, unchanged from 2015.

Alcohol & Molasses Export (AMCO)

The Group owns a 41.9% interest in AMCO, a company trading in molasses. AMCO achieved good financial performance in 2016, in spite of subdued molasses prices.
Turnover for 2016 stood at MUR 282.0 M, while profit after tax amounted to MUR 49.0 million. The Group's share of profit after tax amounted to MUR 20.0 million (MUR 30.9 million in 2015).

Orange Madagascar (OMA)

The Group effective interest in OMA is 5%.
Net profit for the year ended 31 December 2016 was at par with the previous year.

Payment Express

Payment Express (PEX) is engaged in the processing of payments including credit, prepaid and debit cards transactions. Terra holds 27.8% of this company, the balance of PEX shareholding being owned by its management with whom lies the technical expertise. It recorded a turnover of MUR 70.1 million as at 31 December 2016.

Inside Capital Partners

Inside Capital Partners is the management company of a private equity fund, specialised in investing in Mauritius, Zambia and other East African countries, the size of which is targeted to be USD 60 million. Terra has acquired a stake of 33% in the management company which has recorded a loss of MUR 6.7 million and has committed USD 10.0 million to the fund for its share, out of which USD 1.1 million have already been called. A first round of fund-raising is expected to be completed by the end of the second quarter of 2017.

HUMAN RESOURCES

Human Resources

102-16 103-2 103-3

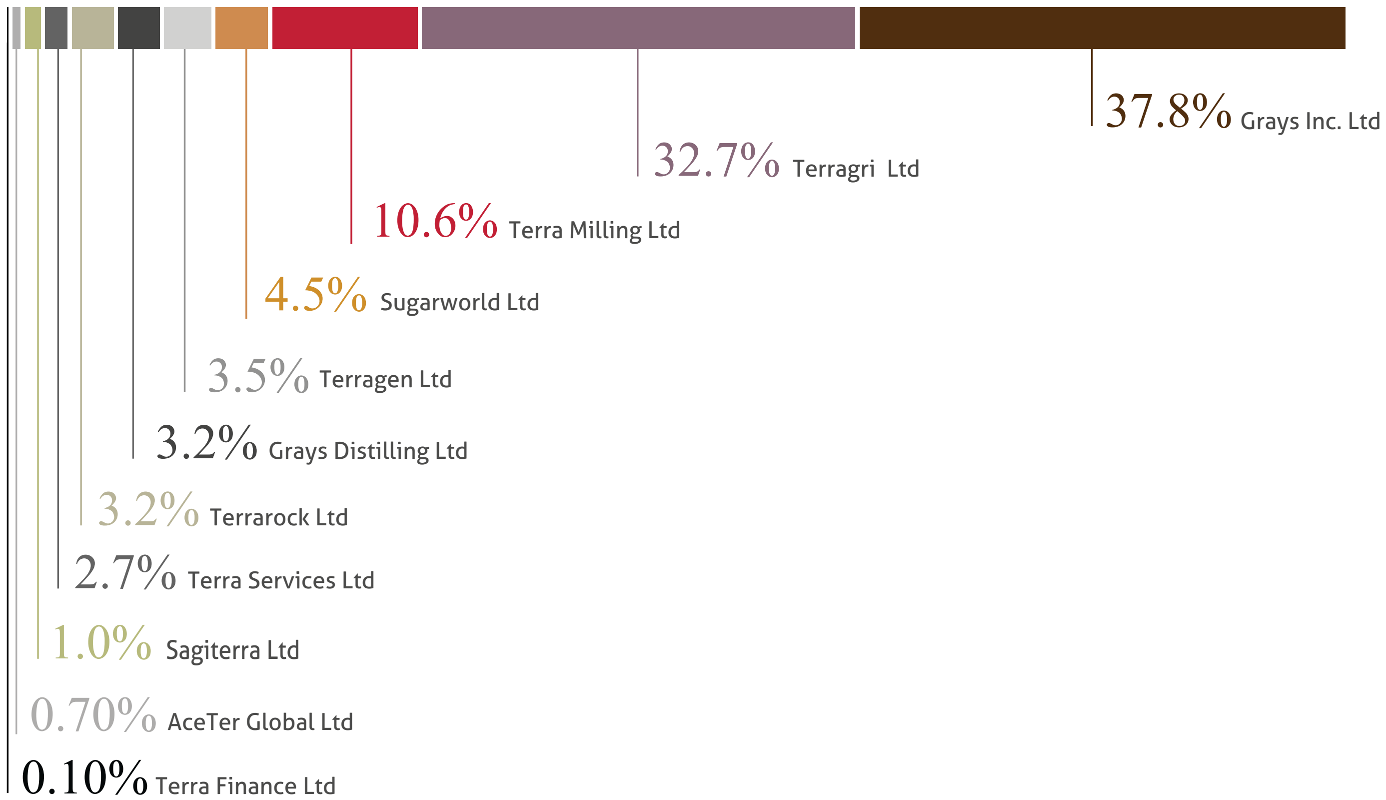
Mission Statement

Terra's Corporate Human Resources (HR) Department and Grays' HR Department provide the various business units with the following support services:

Number of Employees per Business Unit 102-7

Company	Headcount as at end of year	Headcount as % of total
AceTer Global Ltd	10	0.7%
Grays Distilling Ltd	45	3.2%
Grays Inc. Ltd	526	37.8%
Sagiterra Ltd	14	1.0%
Sugarworld Ltd	63	4.5%
Terra Finance Ltd	2	0.1%
Terra Milling Ltd	147	10.6%
Terra Services Ltd	38	2.7%
Terragen Ltd	49	3.5%
Terragri Ltd	455	32.7%
Terrarock Ltd	44	3.2%
	1,393	100%

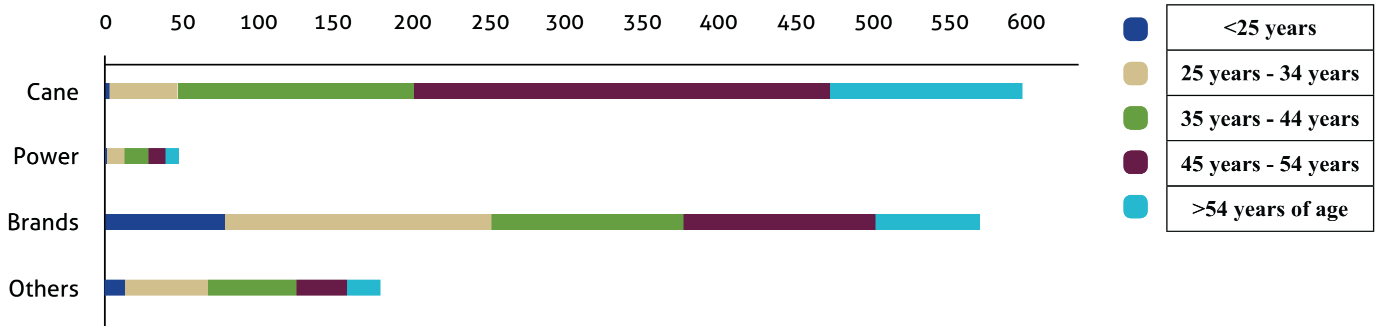
Employees per Business Unit



Our Motto

"We nurture and develop our employees to help them achieve their potential."

Average Age and/or Age Spread by Business Unit



The Group Human Resources Department acts as an enabler in the implementation of the Group's strategy. The department's activity is led by its maxim: "We nurture and develop our employees to help them achieve their potential."

Legal Framework 407-1

Terra complies with the Employment Rights Act 2008 and Employment Relations Act 2008, as well as with other applicable legislation. It ensures 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 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 for 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. These have been governed by collective agreements through the Joint Negotiating Panel (JNP, a consortium of trade unions) and the Mauritius Sugar Producers' Association (MSPA). However, the MSPA was dissolved in 2016 and the current collective agreement runs only until December 2017. The Group had neither operations nor suppliers in 2016 in which employees' right to exercise freedom of association and collective bargaining was violated or was at significant risk.

In Terra's non-sugar businesses, 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 companies' missions. 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 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.

Operational Changes 402-1

Although there are no legally defined notice periods regarding operational changes in Mauritius, the Group allows a notice period of around one to two weeks, depending on the changes. It believes in constructive communication between employees and management. The Code of Practice of the Employment Relations Act 2008 serves as a guide to promoting good employment relations.

Corporate Culture

The HR Department remains focused on further reinforcing a Group culture and helping employees not only to understand Terra's values but also make them a part of their lives in both their work and family environments. The Department is also actively engaged in supporting the internal and external communications' processes, as these functions play a strategic role in conveying the organisation's values and vision. Communication is also a means to reach out to the Group's stakeholders. With the help of external partners, the Department nurtures Terra's reputation as an employer.

Welfare

Terra strongly supports the running and promotion of welfare initiatives among its clusters. Such initiatives include *inter alia*, year-end parties, the organisation of special events and supporting the sharing of small gifts that convey a sense of gratitude for the work done. The organisation of such activities varies depending on the cluster's business culture and work conditions.

Health and Safety 103-2 103-3 403-2

Throughout the Group, in line with its commitment to best corporate governance practices, Terra places strong emphasis on Health and Safety, with the aim of providing all staff with a safe working environment. The details thereon are reported in our Corporate Governance report on page 101.

Supporting Structural Change

There was substantial change at Terra in 2016, with clusters previously supported by head-office services gearing up to fully-fledged operational autonomy. The Group HR Department was called to support the clusters in this process and provided guidance to the clusters' management in structuring their teams and in setting up internal procedures that will underpin the new organisations' operations. The Group HR department will continue to provide strategic guidance and specific value-added services, such as customised training and development programmes, HR efficiency matrices, remuneration and benefit policies and other HR projects affecting the Group as a whole. Training is managed by conducting training needs analysis in each cluster and then formulating an annual training plan. Economies of scale are achieved by running some Group learning programmes for all clusters with similar requirements.

This has also meant working on adapting Terra's Group competency framework, as well as integrating its core values to the existing HR systems in place, in order to allow for the best expression of these values and competencies within each cluster's specific business environment.

Performance Management

The reorganisation has provided an opportunity to run comprehensive discussions with management on key performance indicators (KPI) for each team and for each role within the team. Starting at the executive level, where all Executives co-created and aligned clear key result areas for their respective clusters, these discussions trickled down to several levels of staff and are now the basis upon which Terra intends to develop a strong performance-driven culture.

The review of the present structure of executive pay packages and of their suitability in the present business environment has also been launched. It will support the longer-term competitiveness of Terra's business units.

Recruitment 103-2 103-3 202-2

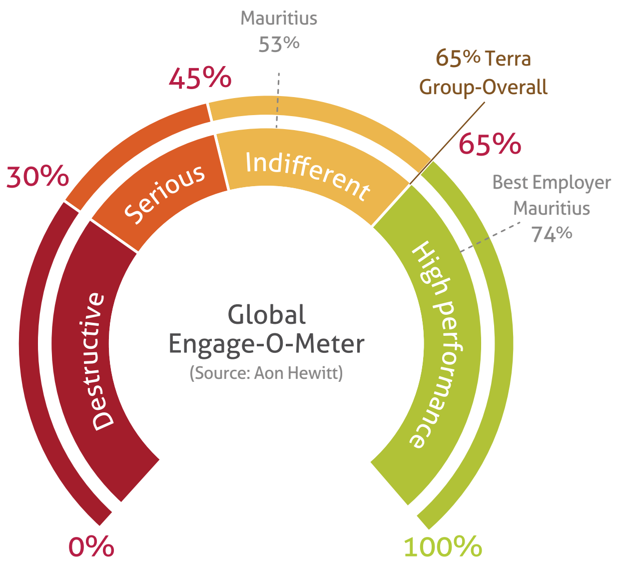
Recruitment has been at top of the Department's agenda as the Group's teams are being restructured to support the new business model. The newly-created Real Estate cluster was in need of high-profile professionals to spearhead its development. A total of seven senior managerial positions and two executive positions were filled in 2016. As the clusters are migrating towards full autonomy, it has also been necessary to fill several positions in financial management and accounting roles, in order to allow each cluster to present its own budgets and accounts.

Talent acquisition was also a priority in the cane cluster. In this cluster, Terra took a broader perspective with recruitments being inspired by a comprehensive review of all positions and an inventory of the new skills required for the future. Recruitments, therefore, are not executed with a view to filling existing positions but as a tool to reinforce the current teams.

At Grays, recruitments are also managed in line with a succession planning programme but additionally with a need to fill new positions in Grays' retail operations, namely in *20/vin* stores. The lack of skilled resources in this line of business has proved challenging. Consequently, key recruitments of sommeliers have been made. They bring better in-store client service and are supporting the sales teams with extensive training.

Engagement

The running of an annual engagement survey has become a regular practice for Terra. Through it, the Group can monitor both employee satisfaction and the ability of staff to successfully execute the Group's strategic plan. The results from the 2016 survey showed a 65% engagement level, a marked improvement from the 60% score achieved in 2015 and 62% in 2014. Terra is successfully climbing the engagement ladder and now belongs to the group of high performers, according to Aon Hewitt's scale of assessment. In comparison, the best employer in Mauritius scored 74%, while the national engagement score slid to 53%.



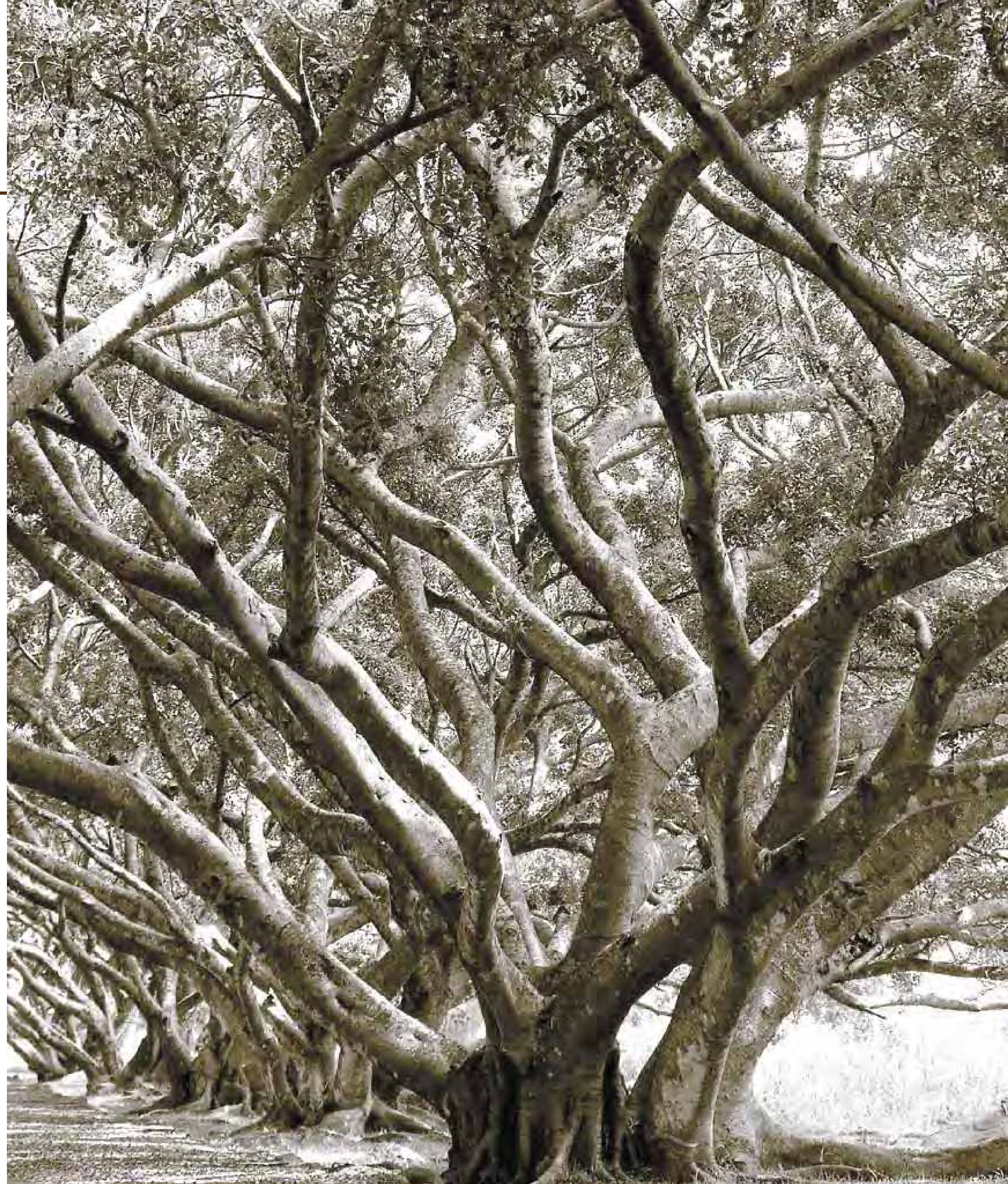
Terra also promotes a culture of engagement with several cluster-specific initiatives designed to encourage collaborative forms of behaviour across the Group. An example of such an initiative is the *Ki mo kapav fer pou ou?* (What can I do for you?) programme, run by Grays and internally branded as the *Kimo programme*. It operates on the model of quality circles, allowing space, time and process for participants from different departments to share ideas for cooperation and collaboration. This programme has enjoyed considerable success, with marked improvements in the sharing of information both within departments as well as between departments. It supports the longer-term promotion of a better integrated organisation, where departmental frontiers and silo-structures matter less.

Leadership Programmes

In 2016, Terra completed two Group-wide leadership programmes for their management and supervisory teams, branded Optimum Leadership Development Programme and Excelsum Leadership Development Programme respectively. A total of 66 managers and 72 supervisory-level employees benefited from these customised programmes, during which they explored such managerial skills as-leadership and mastery, influencing other for results, the leader as a coach and resilient leadership. Both programme introduced a team coaching component in which groups of five to seven participants spent three hours in a session with a professional coach.

Projects for 2017

Going forward, Terra wants to consolidate the Optimum Leadership training programme with a targeted individual coaching programme. These coaching sessions plan to address each manager's individual challenges in making the most profitable use of the skills learnt in the previous programme. On the same lines, there will be a strong focus on providing coaching and mentoring tools to senior management staff of Terra's cane operations, particularly to facilitate knowledge transfer.



TERRA FOUNDATION

Terra Foundation

103-2 103-3 413-1

FOCUS AND IMPACT

As Terra gears up to become the driving force behind the North's economic and social development, our corporate social responsibility programme is designed to support the communities in the vicinity in integrating the economic fabric of the North to the best of their ability.

Terra Foundation

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 regional and national level in line with applicable National CSR Guidelines.
The CSR Manager runs the Foundation's operations under the stewardship of the CSR committee. She is responsible for preselecting, appraising, supporting and following-up on 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.

Focus

The focus is therefore on the support given to projects set up in the area around Beau Plan and Belle Vue where Terra presently operates.
It is also on supporting the local community in making the best of the future opportunities that will arise from the development of our smart city in Beau Plan.
Our support is directed towards 6 main areas and includes Rodrigues:

- Education and training
- Poverty alleviation
- Health care
- Environment
- Sports
- Heritage and Culture

Local Impact

Impact

Since its launch in 2011, Terra Foundation has reached out to the community, with a view to both responding to its stakeholders' requests and to support projects that it believes have the best potential for delivering meaningful change to their beneficiaries.
As it grew, the foundation has gained insight and knowledge into the challenges associated with running social programmes. Through a continual dialogue with the charities it supports, it developed an insight of the requirements for success and of the opportunities to improve on the impact of its support.

A pillar of its strategy is to favour a long-term involvement with the NGOs it supports and to provide only minimal support to ad-hoc projects. The foundation also insists on adding value not only through financial support to theses NGOs but also through building ties with their operations, by sitting on committees to monitor the projects it sponsors and through the participation of the employees in community actions to assist NGOs. It also happened in some cases that the loop was completed with the recruitment of the beneficiaries for whom the foundation sponsored the training.

YEARLY REVIEW

In 2016, Terra Foundation's budget amounted to MUR 7.4 million, exclusively devoted to the funding of projects and net of the administrative expenses necessary for its operations. Out of this budget, MUR 6.7 million have been disbursed for projects.

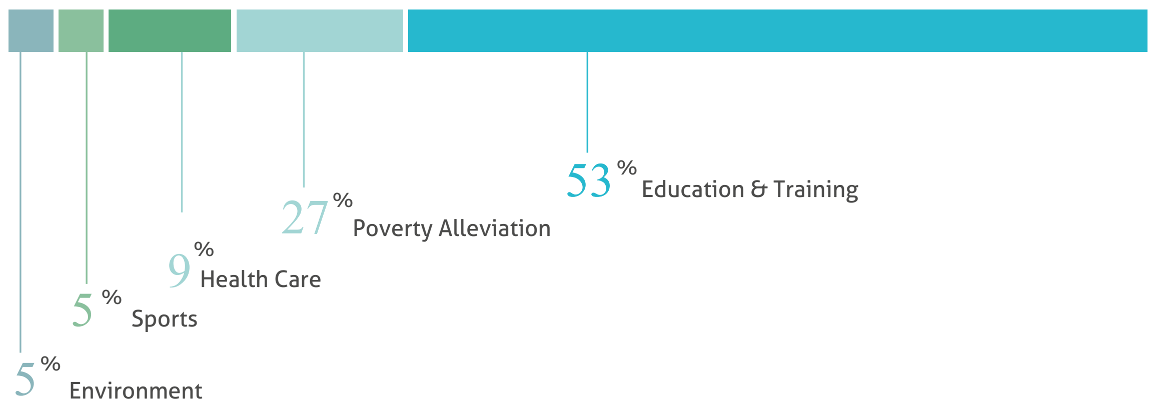
Terra Foundation in figures for 2016

CSR budget after deduction of administrative expenses	Total projects sponsored	Number of projects sponsored in 2016	Number of beneficiaries
MUR 7.4 M	MUR 6.7 M	59	3,261

Actions with the Local Community and Development Programmes

The majority of the funds (56%) was directed towards supporting projects (33 out of 59) aimed at the communities from the North, the balance being devoted to other projects with a national scope. Going forward, a greater proportion of the funds will support local projects in the North.

Sponsorship by Areas of Intervention



Major Projects Sponsored by Areas of Intervention

Education and Training

NGO	Project
ZEP school H. Ramnarain	Since 2004, Terra supports this ZEP school (priority zone education) located in its factory area in its endeavour to address absenteeism and failures.
Les Amis de Zippy via the Action for Integral Human Development	This project aims at working jointly with the children, teachers, parents and the community in order to reduce violence at school and in the community.
Autisme Maurice	This NGO cares for autistic students and wants to extend its services to the North with the participation of the employees of the Group.

Poverty Alleviation

NGO	Project
SAFIRE	The foundation sponsors the cost of a social worker in support of this NGO (*Service d'Accompagnement, de Formation, d'Intégration et de Réhabilitation de l'Enfant*) that supports vulnerable children in Cité Mère Teresa in Triolet.
Caritas Solitude	The work of this NGO is targeted towards the eradication of extreme poverty.

Health Care

NGO	Project
T1 Diams	T1Diams provides health services and social programme in support of 256 children suffering from type 1 diabetes.

Environment

NGO	Project
Mauritian Wildlife Foundation	For the past 7 years, support was given to cover the field expenses for the conservation of the Mauritian Echo Parakeet, an endangered bird of Mauritius. The population of the specie has increased satisfactorily.

Sports

NGO	Project
Trust Fund for Excellence in Sports (TFES)	Through this NGO support was given for the daily transport for the training sessions as well as refreshments for some 22 badminton athletes coming from low income families in the North.

A detailed list of ongoing projects can be found in Annexure 4.1.

New Projects in 2016

Some of the new projects sponsored in 2016 were:

- **UNI Kidz** for the inclusion, integration and follow-up of handicapped children in normal schools.
- **LEAD (Leadership, Empowerment, Action, Development)** for the training of youth leaders of Pointe aux Piments to fight the devastations of the synthetic drugs in the region. The aim being to maintain ongoing awareness and prevention sessions.
- **Slow Food Tipa Tipa (Now renamed Biodiversity Preservation)** for the setting-up of organic gardens in three schools/institutions in the North and the training and monitoring of the students.
- ***Fondation Joseph Lagesse*** for the life skills training of four families relocated in a social housing project at Amaury, after the completion of the first phase of the social housing project where Terra Foundation sponsored one social house.

Projects Sponsored in Rodrigues

Every year, the foundation earmarks a budget for Rodriguan projects. In 2016 an amount of MUR 874,991 was spent for the following projects:

- **Daily meal support** for some 123 vulnerable students in the primary schools including 36 from the *Centre de Formation Agricole Frère Rémi.*
- **University fees** for 2 vulnerable youths.
- **Association des *Écoles Ménagères*** for the sponsorship of 3 sewing machines and the materials for 150 beneficiaries in 9 training centres.
- ***Life skills training*** for the extremely vulnerable people on the waiting list for relocation in social houses.
- **Rodriguan schools educational tour in Mauritius:** The foundation sponsored one day in their educational tour including the transport, entry fees at *L'Aventure du Sucre*, lunch and a workshop with *'pâte à sucre'* for some 10 primary schools with a delegation of 496 persons including 305 students.

Community Days and Christmas Actions

In 2016, the community days involving the staff of the Group were dedicated to:

- **ARISE** for the organisation of the birthday of one child.
- **Rodriguan students** during their educational tour in Mauritius.
- **The female ward 2-1 of the SSR Hospital** where one lunch room was renovated.

The foundation contributed to the Christmas party for 45 children and youths of **SAFIRE** and for the Christmas dinner and gifts of 24 abandoned children of the shelter ***L'Oiseau du Paradis*** at Cap Malheureux.

A detailed list of new projects can be found in Annexure 4.2.

Change in Regulations

In his June 2016 budget speech, the Minister of Finance announced changes to the CSR legislation. As a result, a National CSR Foundation has been created. It will pool 50% of the companies' CSR contributions to be redistributed to projects that are in line with the Government's national priorities for social development. However, subject to Section 50L subsection (9) (a) and (b) of the Finance (Miscellaneous Provisions) Act 2016, companies that can prove that 50% of their funds will be utilised for programmes that fit in the priority areas of the Government will be allowed to keep these funds for the implementation of the said programmes, after receiving written approval from the National CSR Foundation.

The management of this national foundation and its interaction with the existing foundations are yet to be defined. Companies and foundations, in conjunction with Business Mauritius, are keeping an ongoing dialogue with Government to get more clarity on the medium to long-term future legislative framework for CSR in Mauritius.

For 2017, companies and foundations may use the remaining 50% of their CSR funds to sponsor projects according to their own CSR framework.

Louis Denis Koenig
Chairman, CSR Committee

ENVIRONMENTAL COMMITMENT

Environmental Commitment

103-2 103-3

In line with its vision, Terra adopted in 2013 the Global Reporting Initiative (GRI) Sustainability Reporting guidelines and has gone through the GRI G3.1 and G4 guidelines and applied them. We have now applied the recently launched GRI Standards to our annual report 2016. It has enabled business units to ponder over their impacts – whether positive or negative – and take appropriate action, as far as is practicable, to enhance their sustainability performance. Sustainability reporting, which is an important part of integrated reporting, helps measure and communicate Terra's economic, environmental, social and governance performance. It ensures and enables companies to be transparent towards their stakeholders about the risks and opportunities they face.

Since 2014, Terra's organisational structure includes a QSE (Quality, Safety & Heath, and Environment) wing, which helps the various entities improve their environmental performance through the annual reporting process, as well as the implementation of QSE management systems where applicable.

The entities of Terra are striving to apply good environmental and social practices to their operations.

They are working towards sustainable utilisation of resources to:

1) improve the quality of products and services
2) make use of by-products
3) optimise energy generation and consumption
4) monitor water consumption
5) improve effluent and waste management.

Terra also strives to adhere to the precautionary principle, which is reflected in its adoption of the industrial ecological system approach.

Environmental Compliance 103-2 103-3 307-1 419-1

Mauritius is signatory to various international conventions related to climate change, including ozone layer protection and hazardous waste movement. As a responsible and conscientious group of companies, Terra is committed to adopting practices and taking measures to abide by the conventions, as well as national laws and regulations, subscribing to the Mauritius Government Gazette in order to keep up-to-date on new legislation. There was no non-compliance within the Group with environmental and social/economic laws and regulations.

Status of Certification Process at Terra

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 2017
Terragen Ltd	ISO 9001:2015	Certified by AFNOR since 2013 with surveillance audits each year until 2015. A re-certification audit was done in 2016 based on the new versions of the standards.
	ILO OSH 2001	
	ISO 14001:2015	
Grays Inc. Ltd and Grays Distilling Ltd	ISO 9001:2015	Implementation is in progress.
	OHSAS 18001:2007	
	ISO 14001:2015	
Terragri Ltd	ISO 9001:2015	To be initiated in 2018
	ISO 45001:(under development)	
	ISO 14001:2015	

Renewable and Non-Renewable Materials 103-2 103-3 301-1

The amount of materials used by Terra's entities are efficiently managed to optimise production while aiming to avoid any impact from non-availability. Terragri follows good agricultural practices as recommended by the MCIA (MSIRI), which conducts continuous research on sugarcane. They include water, fertiliser, herbicide and pesticide application requirements. Terra's agricultural land has shifted from a manual to a mechanical agricultural system with use of more than 90% liquid organic fertilisers (CMS). An internal fertiliser application strategy was developed in 2016 to improve agricultural practices and to standardise application, with application guidance planning for the team. There is close collaboration between MSIRI and Terragri with regards to research on yields, pest control, diseases prevention and thereby ensuring appropriate application to protect the environment.

Terra Milling is supplied with the sugarcane it requires by Terragri and individual planters within the factory area, along with some additional cane from Alteo by agreement. To ensure the cane processed in the factory is of a good and acceptable quality, a number of tests are carried out: visual checks, identification of foreign matter (if there is an excess the supplier is required to clean it until it is within the acceptable limit), and purity tests carried out by MCIA's Control Board. Sugar is packed in 25 kg, 50 kg and 1 tonne plastic bags which are supplied by the Mauritius Sugar Syndicate.

Terragen continually looks for opportunities to reduce the proportion of coal in its process and support the increased use of biomass. The combustion of sugarcane trash, which started in 2015, is new in Mauritius. The process of collection, combustion and collaboration with various stakeholders is still being improved. In 2016, the sugarcane trash burned was doubled compared to 2015.

Grays Distilling buys molasses with the richest sugar content in order to obtain the highest alcohol recovery. Samples of molasses are analysed prior to selecting the source of supply, to determine the total sugar content. Alcohol is stored in plastic drums that are supplied by the clients prior to export. Grays Inc. manages its raw materials following its annual sales forecast and available stock levels. The implementation of QSE management systems at both Grays Inc and Grays Distilling will allow effective management and detection of deviation, as well as corrective and preventive action. On some of its brands, such as Seven Seas, Deluxe and Dukes, the recycling of bottles is possible through the consignment service, through which customers receive a MUR 10 deduction per empty bottled returned on their invoices. This represented about 41.2% of recycled input bottles in 2016. 301-2

		2016	2015	2014
Renewable materials				
Terra Milling Ltd	Sugarcane, tonnes	876,723	952,304	905,056
Terragen Ltd	*Bagasse*, tonnes	294,291	356,795	293,918
	Sugarcane trash, tonnes	4,345	2,000	-
Grays Distilling Ltd	Molasses, tonnes	24,438	24,360	30,617
Grays Inc. Ltd	Alcohol (100%), m^3	911	928	764
	Bulk wines and spirits, m^3	488	433	355
Topterra Ltd	*Vinasse*, m^3	61,855	49,809	53,034
Terragri Ltd	Organic fertilisers (Concentrated Molasses Stillage), tonnes	11,474	8,429	7,536
Non-renewable materials				
Terragri Ltd	Liquid mineral fertilisers, tonnes	2,025	1,488	1,330
	Solid fertilisers, tonnes	976	1,016	1,054
	Diesel, m^3	1,563,404	1,069	1,164
Terragen Ltd	Coal, tonnes	192,771	188,744	188,425
Terrarock Ltd	Boulders, tonnes	348,357	263,655	233,444

Water 103-2 103-3 303-1

Owing to Terra's geographical location and climatic conditions, it is bounded by sources of fresh water. Optimal water consumption by entities is a priority. Reuse and recycling is promoted as far as possible to limit the generation of effluent.

Terragri, a major water consumer, has a water usage policy that includes an efficient water distribution network, water balance per plant as recommended by MSIRI and deficit irrigation. It is always on the look-out for new irrigation systems, using them to optimise water usage. The agricultural land is divided into numerous zones and each one manages its water consumption optimally through weekly water consumption planning. Water usage is monitored constantly after its application.

Water (cont'd) 103-2 103-3 303-1

Water is one of the main natural resources used by Terragen for steam and electricity generation. It has an agreement contract with the CWA. Its integrated management policy takes into account water usage with specific consumption set for steam/electricity generation, monitored through meters at various locations during the process.

In the case of Grays Distilling, water is mainly used in the fermentation process and steam generation. The follow-up of and improvement in water consumption is progressing in line with the implementation of a QSE management system. Similarly, Terra Milling, Terrarock and Topterra have set targets for limiting water consumption.

303-1

Entity	Source of water withdrawal (m^3)	2016	2015	2014
Terragri Ltd	Surface water	9,800,000	8,161,486	10,000,000
	Public water utility (CWA)	65,254	-	-
Terragen Ltd	Surface water	1,684,044	1,614,563	1,528,039
Terra Milling Ltd	Surface water	429,743	-	-
	Public water utility (CWA)	29,294	-	-
Grays Distilling Ltd	Surface water	54,384	-	-
	Public water utility (CWA)	1,927	-	-
Topterra Ltd	Surface water	26,000	28,000	26,000
	Public water utility (CWA)	140	-	-
Terrarock Ltd	Groundwater	53,650	60,750	44,887
	Public water utility (CWA)	21,789	25,626	27,385

Energy 103-2 103-3

In Mauritius, the energy sector, controlled by the Ministry of Energy and Public Utilities, has diverse stakeholders: the CEB, independent power producers (IPPs), small-scale distributed generators and end consumers. The energy sector is governed by the Central Electricity Board Act 1963, Electricity Act 1939, Mauritius Renewable Energy Act 2015 and the Energy Efficiency Act 2011. In addition, IPPs have to respect specific requirements. The multilateral environmental agreements signed by Mauritius related to the atmosphere include the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol under the UNFCCC, the Vienna Convention for the Protection of the Ozone Layer and the associated Montreal Protocol, and the Statute of the International Renewable Energy Agency (IRENA). In 2016, Mauritius was amongst the first fifteen countries that signed and ratified the Paris Agreement (COP21).
Some of the key deliverables at the national level are:

- National Climate Change Adaptation Policy Framework
- Disaster Risk Reduction and Management Strategic Framework and Action Plan
- Technology Action Plan for enhanced Climate Change Adaptation and Mitigation.

Electricity, steam, bagasse, coal and diesel are the principal energy sources used by Terra's entities. Terragen, while itself a big consumer, as an IPP sells electricity to the CEB, contributing around 17% to national consumption. In line with the national strategy and internal policy, Terragen is working towards increasing its proportion of renewable sources of energy through the combustion of sugarcane trash. Its objective is to improve the plant's efficiency by reducing electricity consumption through the monitoring of parameters with respect to energy generation and preventive maintenance. Terra Milling's steam and electricity consumption is predefined in an agreement with Terragen. Similarly, Grays Distilling monitors its steam generation and electricity consumption. In 2016, it participated in a national study, *Programme National d'Efficacité Energétique*, with financial support from the French Development Agency. The study involved a complete and challenging energy audit of the plant by an expert, with results that proved that Grays Distilling is continuously improving in this area and will require only a few improvements. Electricity is also used in an optimal way by Terrarock and Topterra.

302-1

Entity	Energy source (GJ)	2016	2015	2014
Terragen Ltd	Renewable Bagasse	59,112	63,454	52,616
	Renewable Sugarcane trash	1,496	655	-
	Non-renewable Coal	133,885	128,217	139,316
Terra Milling Ltd	Renewable Bagasse & sugarcane trash	730,271	-	-
	Non-renewable Coal	309,145	-	-
Grays Distilling Ltd	Renewable CEB	683	-	-
	Non-renewable Coal & CEB	54,907	-	-
Topterra Ltd	Renewable CEB	573	598	567
	Non-renewable Coal & CEB	44,131	29,283	25,643
Terrarock Ltd	Renewable CEB	791	1,193	1,302
	Non-renewable CEB	4,150	4,772	4,899

Emissions 103-2 103-3

Some of the main activities that discharge significant substances into the atmosphere are steam and power generation, transport of materials and on-site stone-crushing operations. The entities monitor the emissions effectively to ensure compliance with the applicable national regulations: the Environment Protection Act 2002 (Amendment 2008) and Standards for Air 1998, in addition to other international agreements/conventions signed by the Government of Mauritius. As a non-Annex 1 country, Mauritius does not have any greenhouse gas emission reduction target under the Kyoto Protocol. Terragen burns low-sulphur coal, possesses highly efficient equipment and uses thorough preventive maintenance to monitor the combustion process and its resulting emissions into air. There is online continuous monitoring of emission parameters such as of carbon dioxide, carbon monoxide, sulphur dioxide, nitrogen oxides and solid particles related to coal and biomass. In addition to this, the emissions from both stacks are subject to quarterly monitoring by an independent body, the MCIA, and yearly monitoring by a foreign accredited body in accordance with its EIA licence and environmental regulations. Ambient air is also monitored to ensure that its neighbouring environment is healthy and in compliance with regulations. The GHG emissions (shown below) from Terragen were calculated according to IPCC guidelines' methodology and coal composition analysis, while the biogenic CO_2 emissions from bagasse and sugarcane trash were calculated using their ultimate analysis and efficiency of the power plant.

Although Terrarock is surrounded by sugarcane fields, it is always striving to reduce the level of dust in the air and to comply with the Standards for Air 1998. The level of PM10 is monitored once per year by the MCIA and measures are taken accordingly in case of any deviation, which is rare, as Terrarock ensures compliance through continuous preventive measures. There are water sprinklers at various points inside the premises and a water bowser is used to sprinkle the yard and the hauling road to the plant.

Direct GHG Emissions (Scope 1) 305-1

Direct GHG emissions (Scope 1) – Terragen Ltd

GHG emissions in tons of CO_2 equivalent (CO_2, CH_4, N_2O)	2016	2015	2014
Sugarcane trash - biogenic CO_2	6,427.00	2,958	-
Bagasse - biogenic CO_2	246,038.70	298,806	226,469
Coal	444,431.67	435,088	419,550

Terragri is the major service provider for the transport of materials for Terragen, Terra Milling and agricultural activities, and has the largest fleet of heavy vehicles within the Group. The carbon-dioxide emissions, relative to the growing and harvesting activities of cane, transport of cane and sugar for Terra Milling and coal and fly ash for Terragen, are shown separately.

Direct GHG emissions (Scope 1) – Terragri Ltd

GHG emissions in tons of CO_2 equivalent (CO_2)	2016	2015	2014
Terragri Ltd	4,070	4,231	4,342
Terra Milling Ltd	717	729	620
Terragen Ltd	425	462	257

Other Significant Air Emissions: NOx, SO_2, and Solid Particles 305-7

Terragen Ltd

Parameter (mg/Nm³) at 6% O_2	2016	2015	2014
NOx	476	532	670
SO_2	696	837	986
Particulate matter (PM10) - bagasse & sugarcane trash	22	20	55
Particulate matter (PM10) - coal	54	41	74

At Terrarock, the average level of PM10 recorded in 2016 was 74 μg/m3.

Effluents and Waste 103-2 103-3 306-2

As illustrated in Terra's industrial ecological system (see page 21), as far as practicable, waste produced from one entity is valorised as an input to the operations of another entity. Waste generated by the entities comprises of a considerable amount of non-hazardous and some hazardous waste only, as classified by the EPA Hazardous Waste Regulations 2001. It is worth noting that any hazardous waste generated on site is disposed of by authorised facilities or stored on-site until an appropriate disposal method is determined.

Water consumption is directly proportional to effluent generation. The entities try to reuse and recycle water within their processes to generate minimum effluent and to comply with applicable legislation. Most of the recommended actions related to the comprehensive study of the effluents from Terra's operations have been implemented and the rest are underway.

On the coal-ash management side, the Carbon Burn-Out plant situated in Omnicane's industrial zone is at the commissioning phase and will soon be operational.

In 2016, an intensive waste audit was carried out in all Terra's entities to understand the waste sources so that there could be effective waste management. The waste audit involved identification of all waste types and quantity, their origin, their actual place of storage and their disposal. A waste management plan will be developed during 2017.

Entity	Category	Waste type	Quantity (tonne)	Disposal Method
Terra Milling Ltd	Non-hazardous	Organic waste	533	Landfill (Terra)
		Filtered mud cake (sugarcane scum)	28,000	Reuse – sugarcane fields
		Rocks	20	Landfill (Terra)
		Scrap metal	116	Recycling
	Hazardous	Used oil	3.52	Recycling

Effluents and Waste (cont'd) 103-2 103-3 306-2

Entity	Category	Waste Type	Quantity (tonne)	Disposal Method
Terragen Ltd	Non-hazardous	Bagasse fly ash	16,695	Recycling
		Coal fly ash	21,173	Will be incinerated once Thermal Valorisation Co Ltd is operational (2017)
		Coal bottom ash	25,870	
		Paper, cardboard, plastic, domestic solid waste, scrap metal and industrial waste	represents around 0.1% of total amount of non-hazardous waste	Landfill (domestic solid waste) & Recycling
	Hazardous	Used oil	12	Recycling
Terragri Ltd	Non-hazardous	Used metal parts	17.01	Recycling
	Hazardous	Used batteries	2.3	Recycling
		Used tyres	45.2	Landfill
		Used oil	8.45	Recycling
Grays Inc. Ltd	Non-hazardous	Aluminium items	4.89	Recycling
		Paper & cardboard	28.62	Landfill
		Domestic solid waste	0.72	Landfill
		Glass bottles	150	Recycling
		Plastic waste	4.75	Recycling
	Hazardous	WEEE (including ink cartridge & toner)	0.08	Recycling
		Lamps & fluorescent tubes	0.2	On-site storage until disposal to permitted facility
Grays Distilling Ltd	Non-hazardous	Domestic solid waste	5.2	Landfill
		Coal ash	778.87	Its disposal is outsourced to Terragen Ltd.
	Hazardous	Vinasse	63,963.97	Recycling to produce CMS at Topterra Ltd
Topterra Ltd	Hazardous	Acid condensate	36,494	34,944 tonnes were treated on site, while the remainder was carted away to the Roche Bois treatment facility.
Terrarock Ltd	Non-hazardous	Solidified mud	29,309	Landfill (Sugarcane fields)

From left to right:
Didier Harel, Dominique de Froberville, Alain Vallet, Henri Harel, Maurice de Marassé Enouf, Nikhil Treebhoohun Nicolas Maigrot, Alain Rey, Margaret Wong Ping Lun, Alexis Harel and Hubert Harel.

Board Members Profiles

ALAIN REY (57)

BSc (Hons) in Economics (London School of Economics and Political Science)
Member of the Institute of Chartered Accountants in England and Wales
Non-Executive Chairman – First appointed to the Board 2016

Alain Rey 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 in Mauritius between 2005 and 2006. He was then appointed as Chief Executive Officer of *Compagnie Sucrière de Mont Choisy*. 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.

Directorships of listed companies:
- CIEL Textile Ltd
- MCB Group Ltd
- New Mauritius Hotels Ltd

MAURICE DE MARASSÉ ENOUF (71)

Non-executive 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 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 (57)

Maîtrise en Chimie Industrielle (France); MBA (England)
Non-Executive 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.

ALEXIS HAREL (54)

BSc, Business Administration (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:
- United Docks Ltd

DIDIER HAREL (64)

MBA (with Distinction), *INSEAD* (*Institut Européen d'Administration des Affaires*)
BSc. Eng. (First Class Honours) in Chemical Engineering and Chemical Technology, Imperial College of Science and Technology (City and Guilds College, UK)
Independent Non-Executive Director – First appointed to the Board 2016

Didier Harel 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.

Directorships of listed companies:
- MCB Group Ltd
- Sun Ltd

HENRI HAREL (56)

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 (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 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

HUBERT HAREL (52)

National Diploma in Management, Technikon, Natal (South Africa)
Non-Executive 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. He was a director of The Mount Sugar Estates Company from 2008 until the amalgamation of that company with Harel Frères on 1 January 2010. He currently serves as director on several domestic and off-shore company boards.

NICOLAS MAIGROT (48)

BSc Management Sciences (London)
Managing Director – First appointed to the Board 2016

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 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 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 1 January 2016.

Directorships of listed companies:
- Swan General Ltd
- United Docks Ltd

NIKHIL TREEBHOOHUN (62)

BSc (Hons) Economics, 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 Non-Executive 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) and, between 2011 and 2014, was the Chief Executive Officer of Global Finance Mauritius.

Directorships of listed companies:
- National Investment Trust Ltd

ALAIN VALLET (62)

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 from which he retired on 31 December 2016. 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

MARGARET CHUI PUING WONG PING LUN (63)

Fellow of the Institute of Chartered Accountants in England and Wales
BA Honours in Business Studies (London)
Independent Non-Executive 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.

Directorship of listed companies:
- MCB Group Ltd

LOUIS DENIS KOENIG (50)

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

Louis Denis Koenig worked as a statistician at the Anglo-Mauritius Assurance Society 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, from 1992 up to October 2006. He was also a director of The Stock Exchange of Mauritius and of the Central Depository & Settlement Company, 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.

MANAGEMENT TEAM

Steeve Lareine
Bernard Desvaux de Marigny
Edwige Gufflet
Ajay Parsan
Jean-Philippe Desvaux de Marigny
Patrice Gourel de St Pern
Christopher Park
Noufail Manjoo
John Laguette

Nicolas Eynaud
Nicolas Maigrot
Marie-Annick Auguste
Alexis Harel
Jean-Michel Gérard
Sébastien Mamet
Joël Villeneuve Anaudin
Julien Rousset
Henri Harel
Louis Denis Koenig

Management Information

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Group functions:

Executive Committee

Nicolas Maigrot	Managing Director
Nicolas Eynaud	Real Estate Development Executive
Alexis Harel	Executive Director
Henri Harel	Group Chief Finance Officer
Louis Denis Koenig *	Administrative Executive
Sébastien Mamet	General Manager *(Agriculture)*
Julien Rousset	Senior Manager – Project Development *(as from 20 June 2016)*
Alain Vallet	Executive Director *(up to 31 December 2016)*

* Also serves as Secretary to the Committee

Profiles of Executive Committee members are set out on pages 80, 81, 84 and 85.

Accounts
Steeve Lareine — Group Finance Manager

Human Resources
Christopher Park — Group HR Manager

Information Technology
John Laguette — Group IT Manager

Corporate Social Responsibility
Marie-Annick Auguste — CSR Manager

Cane:

Mauritius

Sébastien Mamet	General Manager *(as from 31 March 2016)*
Reynolds Laguette	Factory Manager *(up to 30 June 2016)*
Ajay Parsan	Factory Manager *(as from 1st July 2016)*

Power:

Terragen Management Ltd	Managers
Jean-Michel Gérard	Plant Manager

Brands:

Bottling and distribution

Alain Vallet	Managing Director *(up to 31 December 2016)*
Alexis Harel	Commercial Director *(up to 31 December 2016)* Managing Director *(as from 1st January 2017)*

Distillery
Patrice Gourel de St Pern — Plant Manager

Real estate and leisure:

Nicolas Eynaud	Real Estate Development Executive
Bernard Desvaux de Marigny	Managing Director *(Sagiterra Ltd)*
Jean-Philippe Desvaux de Marigny	Senior Manager – Project Development and Finance *(as from 1st May 2016)*
Edwige Gufflet	Managing Director *(Sugarworld Ltd)*

Stone crushing and block making:

The United Basalt Products Limited — Managers

Offshore management:

Noufail Manjoo — Managing 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 (46)

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, 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 (60)

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-PHILIPPE DESVAUX DE MARIGNY (34)

Diplôme d'Etude Supérieures Comptables et Financières (France)
Fellow Member of the Association of Chartered Certified Accountants (UK)

Jean-Philippe Desvaux de Marigny started his career at BDO De Chazal Du Mée in the Corporate Finance Department and was the Finance Manager of Robert Le Maire (RLM) from 2009 to 2012. Further to the acquisition of RLM by Ireland Blyth (IBL) in 2012, he joined the commerce cluster of IBL as Finance and Administrative Manager before being appointed Chief Executive Officer of Mauritian Eagle Leasing Company in July 2014. In May 2016, he joined the Group as Senior Manager - Project Development & Finance of the property cluster.

NICOLAS EYNAUD (49)

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, 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*, Nicolas Eynaud joined the Group in January 2016 as Real Estate Development Executive.

JEAN-MICHEL GÉRARD (58)

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 (58)

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. 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 (48)

Maitrise ès 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 until 2003. The same year, she joined L'Aventure du Sucre as General Manager and was promoted Managing Director in December 2012.

JOHN LAGUETTE (37)

BSc (Hons) in Business Information Technology (UK)
MSc in Internet & Database Systems from London South Bank University (UK)
MBA Université Paris I 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 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.

REYNOLDS LAGUETTE (64)

Member of the Institute of Engineering and Technology (UK), *MBA* (England)
Member of the Société de Technologie Agricole et Sucrière de Maurice
Member of the International Society of Sugar Cane Technologists

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 retired on 30 June 2016.

STEEVE LAREINE (52)

Fellow of the Association of Chartered Certified Accountants (UK)
Member of the Mauritius Institute of Professional Accountants

Steeve Lareine 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. Steeve Lareine is presently the Group Finance Manager.

SÉBASTIEN MAMET (41)

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 used to advise on the Group's strategic orientation and was responsible for implementing new business developments. Upon the departure of Jean-Arthur Pilot Lagesse, he was appointed as General Manager (Agriculture).

NOUFAIL MANJOO (46)

Fellow Chartered Certified Accountant (UK).

Noufail Manjoo is a co-founder of AceTer Global. 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). He also serves as director in many offshore companies.

CHRISTOPHER PARK (34)

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 Manager. 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.

AJAY PARSAN (53)

Diploma in Mechanical and Electrical Engineering
Diploma in Occupational and Safety Management
Member of the International Society of Sugar Cane Technologists

After a long career in the textile sector as Production Engineer and Factory Manager, Ajay Parsan joined the group as Factory Manager of Terra Milling in replacement of Reynolds Laguette, who retired in June 2016.

JULIEN ROUSSET (35)

MSc in Management (France)

After working in China for five years in the engineering field and setting up a wholly foreign owned bank in Shanghai, Julien Rousset joined the sugarcane industry in Tanzania and Mauritius for four years, heading a number of strategic developments on the African continent for different Mauritian groups. He joined Terra in 2016 to head its strategic development function. As a director of some of Terra's associates and a member of a number of management committees, he advises on the strategic orientation of the Group and is responsible for following existing investments and implementing new business developments.

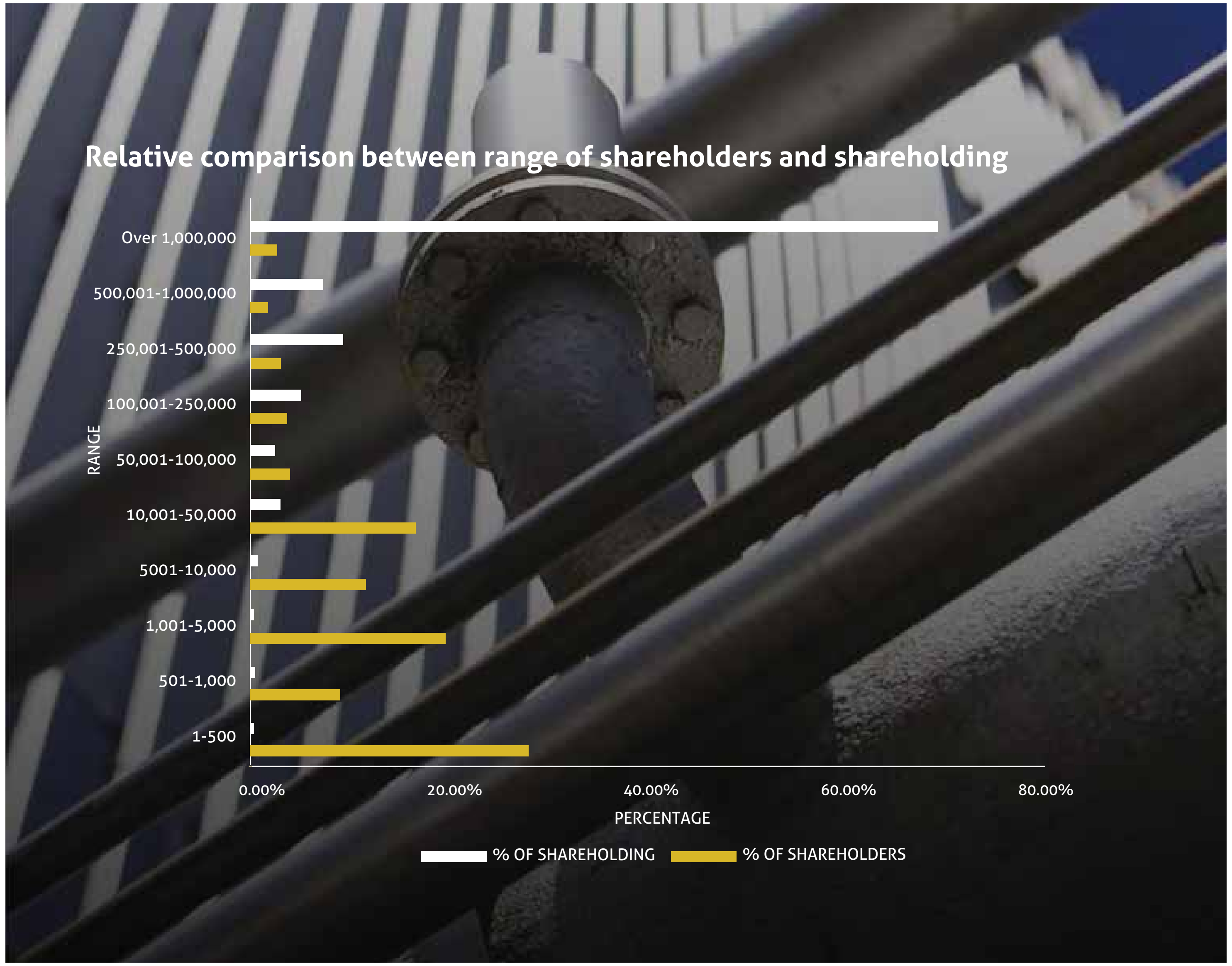
JOËL VILLENEUVE ANAUDIN (47)

Maîtrise ès 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. Between 2001 and 2012, he set up and led treasury and forex hedging operations for various banks and corporations, namely: the CIEL Group Bank One and ABC Banking Corporation. 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.

SHARE ANALYSIS AND STOCK EXCHANGE PERFORMANCE

Distribution of shareholders of Terra Mauricia Ltd at 31 December 2016



Range of Shareholding

RANGE OF SHAREHOLDERS	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 500	563	28.11%	96,004	0.04%
501 - 1,000	161	8.04%	138,323	0.06%
1,001 - 5,000	399	19.92%	1,066,947	0.47%
5,001 - 10,000	216	10.78%	1,575,380	0.69%
10,001 - 50,000	372	18.57%	8,420,099	3.70%
50,001 - 100,000	82	4.09%	5,708,069	2.51%
100,001 - 250,000	79	3.94%	12,896,369	5.67%
250,001 - 500,000	58	2.90%	20,984,407	9.22%
500,001 - 1,000,000	26	1.30%	17,853,708	7.85%
Over 1,000,000	47	2.35%	158,806,318	69.79%
TOTAL	**2,003**	**100%**	**227,545,624**	**100%**

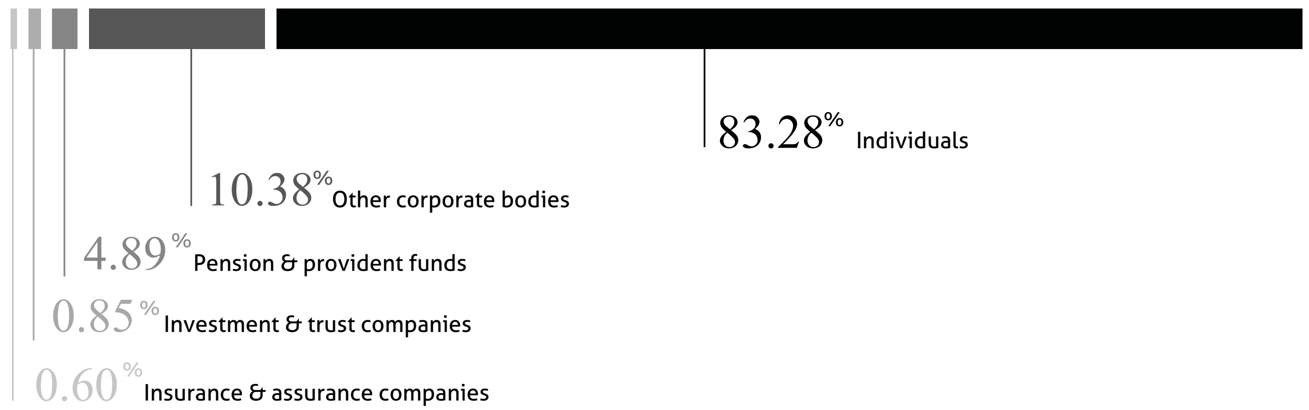
Shareholder Spread

To the best knowledge of the directors, the spread of shareholders at 31 December 2016 was as follows:

	SHAREHOLDERS		SHARES HELD	
	Number	%	Number	%
Individuals	1,668	83.28	75,249,430	33.07
Insurance & assurance companies	12	0.60	14,488,585	5.93
Pension & provident funds	98	4.89	18,477,896	8.12
Investment & trust companies	17	0.85	610,888	0.27
Other corporate bodies	208	10.38	119,718,825	52.61
	2,003	**100.00**	**227,545,624**	**100.00**

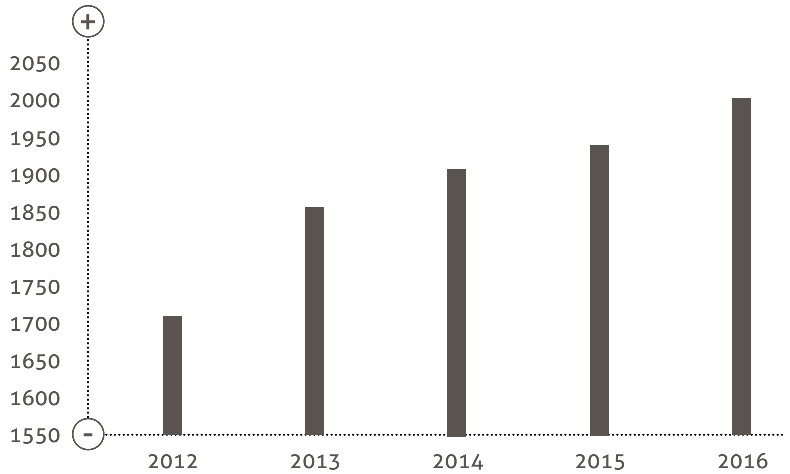
Share Analysis and Stock Exchange Performance (cont'd)

Distribution of Shareholders



Shareholder Spread

Number of Shareholders as at 31 December



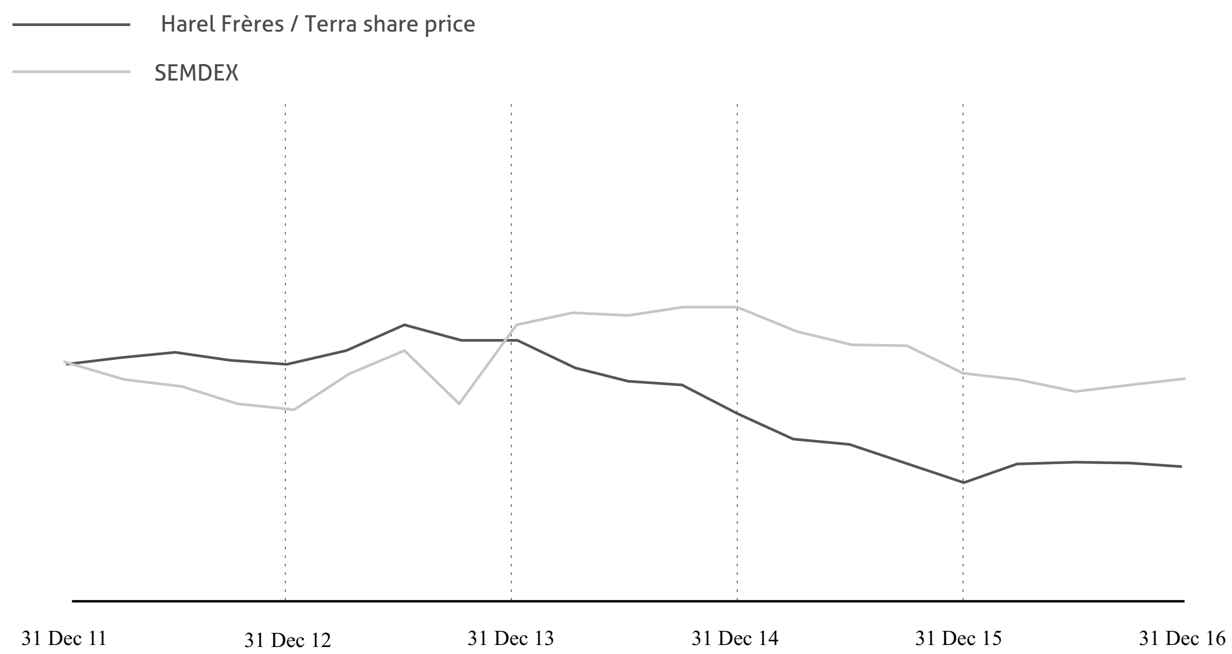
2012	1,708
2013	1,852
2014	1,929
2015	1,947
2016	2,003

The number of shareholders of Terra was 2,030 as at 30 April 2017.

Stock Exchange Performance

In 2016, Terra's share traded between MUR 28.50 and MUR 32.05, with an overall volume of 5.4 million shares exchanged (Volume Weighted Average Price: MUR 30.25). The total value traded amounted to MUR 164.1 million. Foreign investors were net sellers to the tune of MUR 8.5 million. The stock's previous declining trend was reversed and at the end of 2016 it was trading higher at MUR 30.00 (+5.3%). For the same period, Terra was the top performer amongst quoted land holding companies. For the first quarter of 2017, Terra dropped out of the SEM-10 constituents but was reintegrated in the second quarter.

Relative Quarterly Movement of Semdex and Harel Frères / Terra Share Price

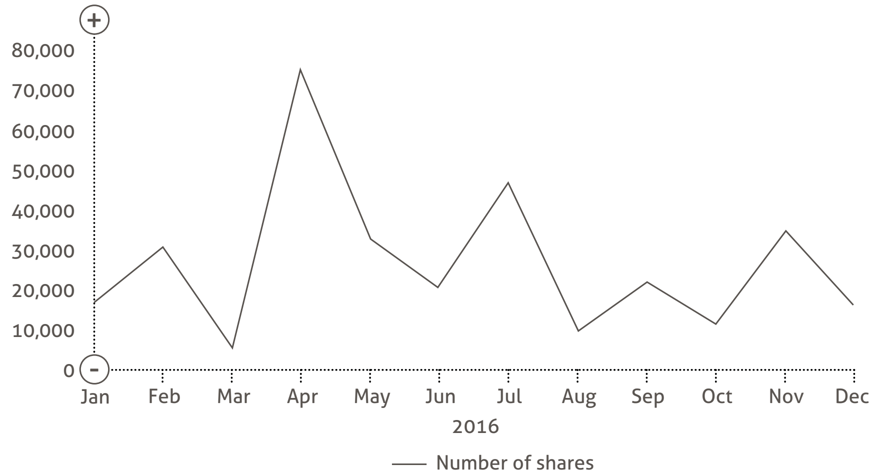


	2012	2013	2014	2015	2016
SEMDEX (Points)					
- Year End Closing	1,732.06	2,095.69	2,073.72	1,811.07	1,808.37
SHARE PRICE (MUR)					
- Year End Closing Price	38.50	39.00	33.00	28.50	30.00
- High	41.50	42.60	39.30	33.50	32.05
- Low	37.20	38.50	33.00	28.00	28.50
Note: The Terra share price was MUR 33.50 on 11 May 2017.					
YIELDS					
- Earnings Yield %	5.71%	4.10%	4.21%	9.19%	3.20%
- Dividend Yield %	2.08%	2.05%	2.42%	2.98%	2.98%
Price Earnings Ratio	17.50	24.38	23.74	10.88	31.25

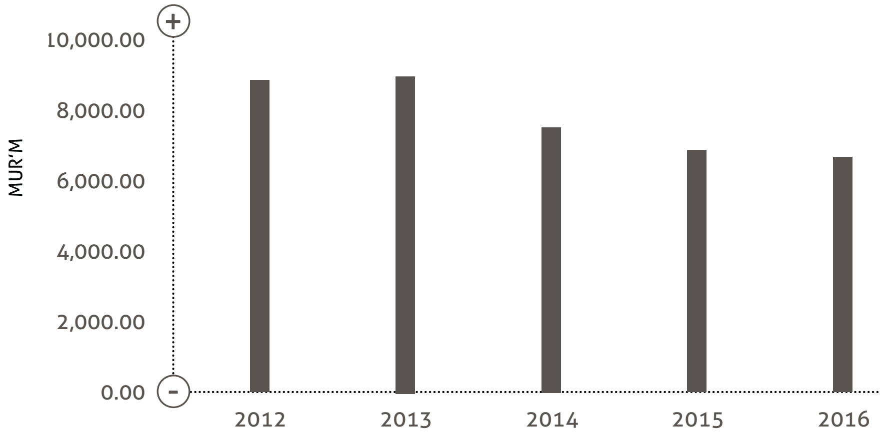
Average Volume Traded Monthly on the Stock Exchange in 2016

2016

Month	Average Volume traded
Jan	16,726
Feb	30,360
Mar	7,320
Apr	74,426
May	30,841
Jun	23,180
Jul	46,355
Aug	11,165
Sep	22,290
Oct	13,922
Nov	35,784
Dec	16,854



Market Capitalisation 102-7



	MUR' M	EUR' M*	USD' M*
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
2016	6,826.37	170.96	186.86

*: The exchange rates used are those for the year 2016 as displayed on page 91.

The market capitalisation of Terra on 11 May 2017 was 7,622.78 million.

Share Analysis and Stock Exchange Performance (cont'd)

Main Exchange Rates to the Rupee

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

Currency	31 December 2015	31 December 2016
Euro	39.9291	38.7635
US Dollar	36.5312	36.8155
GB Pound	54.1468	45.2186
SA Rand	2.3746	2.7271

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 100.

Corporate Governance Report

102-18

Statement of Compliance

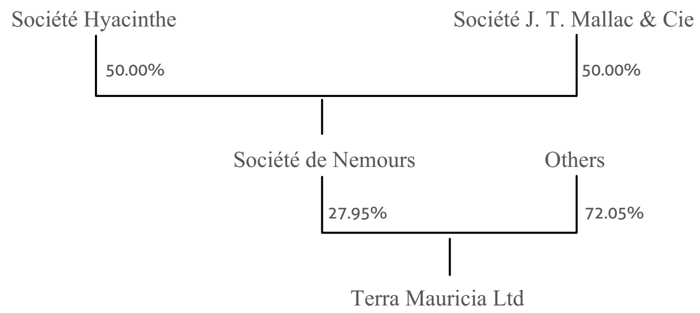
The Report on Corporate Governance for Mauritius, published in 2003, provides that all public interest entities must comply with the provisions of the Code of Corporate Governance (the Code).

The Board is aware of its legal duties and 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 2016.

Holding Structure 102-5

As at 31 December 2016, the holding structure of Terra Mauricia Ltd (Terra) was as follows:



Substantial Shareholders

As at 30 April 2017, 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 2016, 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	
Alain Rey	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

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 and then to 19 June 2017.

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 seven times during the year, including a special half-day session dedicated to group strategy. The individual attendance of directors is set out on page 99.

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 pages 84 and 85. Consultants are also invited to attend board meetings when necessary. During the year, several consultants made presentations to the Board.

During the year under review the main deliberations of the Board included:

- The presentation by the new Managing Director of his strategic vision for the group
- A presentation of the findings of the Board evaluation conducted at the end of 2015 by a consultant from the MIOD
- The consideration of reports and recommendations from the Audit and Risk Committee, Corporate Governance and Ethics committees
- The modification of the terms of reference and the renaming of the Investment Committee, as the Strategy and Investment Committee
- The consideration of reports and recommendations from the Strategy and Investment Committee
- The assessment and approval of investment opportunities in respect mainly of Rehm Grinaker and United Investments

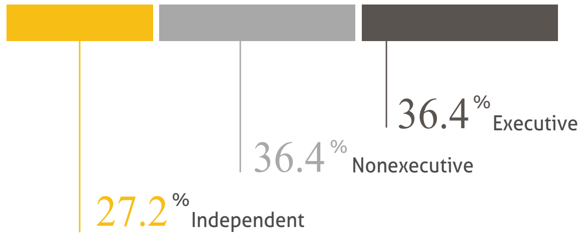
Board of Directors (cont'd)

- The approval of the consolidated audited financial statements for the year ended 31 December 2015 and their abridged version for publication purposes
  - The review of the activities of Terra Foundation presented by its manager
  - The preparation of the Annual Meeting held on 29 June 2016
  - The approval of the Annual Report for the year ended 31 December 2015
  - The approval of unaudited quarterly financial statements for publication purposes
  - The reporting of transactions on the shares of the Company by directors or their associates
  - The relocation of the Company's Registered Office at Beau Plan Business Park
  - The appointment of a new Chairman
  - The review of the composition of the Board committees following the departure of some of their members and the appointment of new directors
  - The approval of off-market transfers of shares under Rule 3A of « The Stock Exchange (Conduct of Trading Operations) Rules 2001
  - The consideration and approval of a calendar of meetings for the Board and its committees
  - The approval of credit lines for the Group with financial institutions
  - A presentation on property development by the head of that cluster
  - A presentation by a firm of consultants on the reorganisation of the financial structure of Terragri Ltd into three distinct operational departments
  - The declaration and payment of final dividends for the year ended 31 December 2016
  - The renewal of the Directors and Officers Liability insurance policy
  - The review of the Group's results against budget
  - A presentation by their respective manager of the performance, the budgets and the strategy of each cluster of the Group
  - A presentation of the performance and the strategy relating to the Group's investments, as well as the financing of the Group's operations.

Other specific responsibilities are delegated to committees established by the Board, namely the Audit and Risk Committee, the Corporate Governance Committee, the Strategy and 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, which is a unitary one, consists of not more than eleven directors and includes four non-executive directors, four executive directors and three independent non-executive directors.



The following directors held office at 31 December 2016:

Daniel Nairac *(Chairman)*	Non-executive
Maurice de Marassé Enouf	Non-executive
Dominique de Froberville	Non-executive
Alexis Harel	Executive
Didier Harel	Independent non-executive
Henri Harel	Executive
Hubert Harel	Non-executive
Nicolas Maigrot *(Managing Director)*	Executive
Nikhil Treebhoohun	Independent non-executive
Alain Vallet	Executive (up to 31 December 2016)
Margaret Wong Ping Lun	Independent non-executive

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 80 and 81.
All directors ordinarily reside in Mauritius and there is one female member on the Board.

At the Annual Meeting held in 2016, five directors retired from office, either by rotation or under Section 138 of the Companies Act. Two of them did not offer themselves for re-election and were replaced. The three others were eligible for re-election and were re-elected.

Board Composition (cont'd)

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 2016 pursuant to the Listing Rules are as follows:

	ORDINARY SHARES							
	DIRECT				INDIRECT			
DIRECTORS	SHARES	%	USUFRUCT	%	SHARES	%	USUFRUCT	%
Maurice de M. Enouf	-	-	-	-	-	-	-	-
Nikhil Treebhoohun	-	-	-	-	-	-	-	-
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Alexis Harel	133	0.00%	-	-	23,583	0.01%	-	-
Henri Harel	413,666	0.18%	-	-	200	0.00%	-	-
Hubert J. Harel	75,000	0.03%	-	-	524,600	0.23%	-	-
Nicolas Maigrot	-	-	-	-	-	-	-	-
Didier Harel	-	-	-	-	-	-	-	-
Alain Rey	-	-	-	-	-	-	-	-
Alain Vallet	263,890	0.12%	-	-	3	0.00%	1,135,710	0.50%
Margaret Wong Ping Lun	-	-	-	-	1,333	0.00%	-	-
Total	752,689	0.33%	-	-	549,985	0.24%	1,135,710	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 the following shares of Terra were traded by directors:

NAME	NUMBER OF SHARES	BOUGHT OR SOLD
Associate of Alexis Harel	6,400	Bought
Associates of Hubert Harel	46,600	Bought
Alain Vallet	1,400	Bought

None of the other directors bought or sold shares of Terra.

Group Company Secretary

Directors have direct access to the advice and services of the Secretary, Terra Services Ltd, through its representative Louis Denis Koenig, 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 102-13 102-18

• Audit and Risk Committee

Members :

Margaret Wong Ping Lun	Chairperson
Maurice de Marassé Enouf	Member
François Montocchio (up to 29 June 2016)	Member
Nikhil Treebhoohun (as from 11 July 2016)	Member

The three members of the Audit and Risk Committee are non-executive directors while the Chairperson and Nikhil Treebhoohun are also 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 subsequently enlarged 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 delegated the Audit and Risk Committee to handle a tender exercise and to make recommendations in that respect.

The Audit and Risk Committee met six times in 2016 and satisfied its responsibilities for the year in compliance with its terms of reference. Individual attendance by directors is set out on page 99. When the Committee met with the external auditors to review the financial statements, critical policies, judgements and estimates were discussed.

During the year under review, the Audit and Risk Committee:
- Reviewed and recommended to the Board the approval of the consolidated audited financial statements for the year ended 31 December 2015, the audited abridged financial statements for the year ended 31 December 2015 and their publication, and the Group's unaudited quarterly results and their publication
- In respect of the external auditors, after reviewing the offers and interviewing the representatives of four audit firms, recommended the re-appointment of BDO & Co as external auditors for the year ending 31 December 2016
- Reviewed the management letters issued by BDO & Co for the Group
- Agreed upon the planning of the external audit for the year 2017
- Examined, in the presence of the respective responsible parties, the reports issued by the internal auditors following visits conducted in accordance to the internal audit plan and agreed upon corrective measures relating to these reports
- Reviewed and recommended for approval by the Board the proposed internal auditors' fees and internal audit plan for the next three years.
- Reviewed and monitored with the Group Risk Champion the risk register and its management.

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 Nardus Oosthuizen, a representative of the strategic partner, with George Schooling and 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. 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, three internal audit reports and the Risk Management Framework. The second one reviewed five internal audit reports and examined internal audit planning matters.

Board Committees (cont'd)

• Corporate Governance Committee

Members :

Daniel Nairac (up to 29 June 2016)	Chairman
Alain Rey (as from 11 July 2016)	Chairman
Didier Harel (as from 11 July 2016)	Member
François Montocchio (up to 29 June 2016)	Member
Margaret Wong Ping Lun	Member
Nicolas Maigrot (as from 03 February 2016)	(In attendance)

The three members of this Committee are non-executive 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 four times during the year and the attendance of individual directors at these meetings is detailed in the table set out on page 99.

During the year under review, the Committee:
- Reviewed the findings of the Board evaluation conducted at the end of 2015
- Appointed a consultant to review the remuneration structure of executives
- Reviewed and approved the Corporate Governance Report for the year ended 31 December 2015
- Recommended the re-election of Henri Harel and Hubert Harel in compliance with Section 20.5.4 of the constitution
- Recommended the re-appointment of Maurice de Marassé Enouf pursuant to Section 138(6) of The Companies Act 2001
- Recommended the appointment of Didier Harel and Alain Rey as directors in replacement of Daniel Nairac and François Montocchio who had decided to retire
- Recommended the agenda and the postal vote procedure for the Annual Meeting to be held on 29 June 2016
- Examined a survey and recommended an increase in the remuneration of directors which had not changed since 2012
- Recommended changes in the composition of boards of directors of subsidiaries and associated companies, following changes at the level of the Board of Terra and within the Group
- Reviewed and approved the retirement package of Alain Vallet, Managing Director of Grays
- Reviewed and approved the bonus scheme of the Group's executives
- Recommended the renewal of the Directors and Officers Liability insurance policy
- Reviewed and approved an overseas travel policy for the Group.

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. Given the changes in the Board's composition, a fresh Board self-evaluation exercise has been initiated at the time of writing.

• Strategy and Investment Committee

Since early 2016, when the Committee was renamed Strategy and Investment Committee, it operates with revised terms of reference which emphasise the Committee's follow-up responsibilities for stategy. Since July 2016, the Committee has been scheduled to meet ahead of each Board meeting.

The aim of the Strategy and 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 non-executive members of the Committee.

Board Committees (cont'd)

• Strategy and Investment Committee (cont'd)

The members of the Strategy and Investment Committee are:

Daniel Nairac (up to 29 June 2016)	Chairman
Alain Rey (as from 11 July 2016)	Chairman
Dominique de Froberville	Member
Nicolas Maigrot (as from 03 February 2016)	Member
Alexis Harel	Member
Didier Harel (as from 11 July 2016)	Member
Henri Harel	Member
Nikhil Treebhoohun (up to 11 July 2016)	Member
(Sébastien Mamet) (up to 11 July 2016)	(In attendance)

The Strategy and Investment Committee met twice in 2016. It reviewed the Group's investment portfolio as well as investment or disinvestment opportunities and made a number of recommendations to the Board. The main recommendations were made in respect of Rehm Grinaker, of a property project in partnership with African Leadership Group and of United Investments. The attendance of individual directors at these meetings is detailed in the table on page 99.

• Ethics Committee 102-16 103-2 103-3 205-2

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 (up to 29 June 2016)	Chairman
Alain Rey (as from 11 July 2016)	Chairman
Maurice de Marassé Enouf	Member
Christopher Park	Member
Nikhil Treebhoohun	Member
Louis Denis Koenig	Member
Gilbert Bouic (Group Ethics Officer)	(In attendance)

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.

During the year under review two internal policies concerning conflict of interest and gifts respectively were recommended by the Committee and approved by the Board. All employees and directors received a copy of these policies and were invited to sign their adhesion to same.
An interest register is maintained by the Company Secretary and is available for inspection by shareholders upon written request to the Company as provided by law.

The Committee met twice in 2016 and
- Reviewed the report of the Ethics Officer on its activities
- Reviewed the report of Transparency Mauritius (TM) on whistle-blowing cases received and handled (No case was received by TM in 2016 and only one was received and dealt with internally by the Ethics Officer and the HR Department)
- Reviewed the results of the internal survey on the Code's impact
- Reviewed and approved the action plan of the Ethics Officer for 2016
- Ensured the follow-up on previous whistle blowing cases and the remedial measures taken in their respect
- Reviewed and recommended for Board approval internal policies concerning conflicts of interest and gifts
- Received a presentation by the CEO of the MIOD and his team on the Integrity Pledge project
- Reviewed a summary of the actions conducted at group level since 2011 in respect of the environment.

The attendance of individual directors at meetings is detailed in the table on page 99.

Corporate Governance Report (cont'd)

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 2016, as well as at the Annual Meeting of shareholders, is set out below.

	Board	Corporate Governance	Audit and Risk	Strategy and Investment	Ethics	Annual Meeting of shareholders held on 29 June 2016
No. of meetings	**7**	**4**	**6**	**2**	**2**	
DIRECTORS						
Maurice de M. Enouf	6/7	-	6/6	-	2/2	Yes
Dominique de Froberville	7/7	-	-	2/2	-	Yes
Alexis Harel	7/7	-	-	2/2	-	Yes
Didier Harel	3/3	1/1	-	2/2	-	No
Henri Harel	7/7	-	-	2/2	-	Yes
Hubert Harel	7/7	-	-	-	-	Yes
Nicolas Maigrot	7/7	4/4	-	2/2	-	Yes
François Montocchio	4/4	3/3	4/4	-	-	Yes
Daniel Nairac	4/4	3/3	-	-	1/1	Yes
Alain Rey	3/3	1/1	-	2/2	1/1	Yes
Nikhil Treebhoohun	7/7	-	2/2	-	2/2	Yes
Alain Vallet	6/7	-	-	-	-	Yes
Margaret Wong Ping Lun	7/7	4/4	6/6	-	-	Yes

Internal Controls and Risk Management

The Board has overall responsibility for the system of internal control and risk management. Details on the way the Board delivered its duties in that respect are provided on pages 103 to 107 of this report.

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.

Corporate Governance Report (cont'd)

Remuneration of Directors

The remuneration received by directors from the Company varied according to the number of meetings held and attended in 2016 and the number of committees on which they sat. Regarding executive directors, their remuneration varies according to Group or company results. The non-executive directors do not receive any remuneration in the form of share options or in relation to the Company's or the Group's performance. The executive directors do not receive any remuneration in their capacity of directors of subsidiaries.

For reasons of confidentiality and market sensitivity of the information, the Board of Directors has decided to depart from section 2.8.2 of the Code and not to disclose the individual remuneration of each director. The remuneration and benefits received by the directors from the Company and its subsidiaries as at 31 December 2016 are disclosed in the Statutory Disclosure on page 111.

Shareholders' Relations and Communication

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, the website, 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. While in 2015 nine of the eleven directors attended the meeting, in 2016 all of them were present. Since 2003, it has been the practice to allow for the postal vote of shareholders at 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 2015, journalists appreciated the opportunity to again attend a press briefing in 2016.

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 86 to 91. Dates of important events are also noted.

Related Party Transactions

Related party transactions are disclosed in aggregate in Note 37 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 contracts between Ivoirel Limitée and Sucrivoire, between Terrarock Ltd and The United Basalt Products Ltd and the development management agreement between Terragri Ltd and Beau Plan Campus Ltd, there are no management agreements with third parties to which the Company or a subsidiary is a party.

Health and Safety

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.

At Terra Milling, several awareness campaigns were held throughout the year including:

- Daily "toolbox meetings" held by our supervisors
- Awareness sessions carried out in May 2016, during which 352 of the company's operators were trained on incorporating basic health and safety actions in their daily operations
- The training of 14 first aiders.

In line with Terra Milling's strategic vision of promoting Health and Safety at work, special training sessions were conducted for ten employees engaged in working at height with ropes. Same was done to strengthen the climbers' abilities and to ensure a safety-first mindset whilst performing their daily tasks. In addition, specialised rescue training sessions were followed by these ten employees. Additional investment of over MUR 150,000 was made by Terra Milling for the procurement of professional climbing equipment: harnesses, life lines, carabiners, ropes and climbing helmets.

Amongst key objectives for 2017 is the reduction of the accident rate at Terra Milling, which caused 47 lost man-days in 2016. An action plan has been put in place to reduce this number by implementing several corrective measures including continual training sessions, daily audits and follow-ups for immediate corrective measures.

Fire is one of the major hazards Terragri's field workers have to face. The company has invested in reducing this risk by providing the company's dedicated fire fighters and field watchmen with adequate fire safety protective equipment. More than MUR 400,000 was spent to purchase special protective fire faceshields, fire coats and fire protective gloves.

Terragri also invested more than MUR 1.0 million on the upgrading of two electrical lifting devices that were introduced in the garage workshop for safe lifting of heavy mechanical loads. Moreover, a column lift was also installed for safe and efficient handling of heavy-duty tyres used by the company's fleet.

Being aware of the need to further educate its heavy vehicle drivers, Terragri launched road-safety training sessions in June 2016, during which all drivers were sensitised on road safety and trained to improve their driving skills.

At Grays Inc. and Grays Distilling, emphasis was placed on training and awareness. All employees were trained over the year on the Management of Safety. Fire certificates were obtained by Grays Inc. for its new Excise Store – Block C and Block A – Bottling & Admin. A noise survey was carried out in May 2016 at Grays Distilling that identified noisy areas and appropriate mitigating measures were taken.

With the expansion of Grays Inc. and Grays Distilling activities, the Health and Safety team will be re-enforced in 2017 with the objectives of:

- Consolidating the safe and healthy culture of Grays
- Reducing the accident rate at Grays Inc. and Grays Distilling, which reported 235 lost man-days for 2016
- Targeting OHSAS 18001 certification.

Consistent with the Group Human Resource Strategy, Health and Safety communication forums have been re-established in all business units, involving more than 50 collaborators. The main function of these committees is to promote co-operation between Terra and its co-workers in achieving and maintaining a safe and healthy working environment in all business units.

At Terragen, management provided important resources to maintain the existing Health and Safety culture. From May 2015 to the end of September 2016 Terragen registered no lost man-days, a great improvement compared to previous years. The following safety measures were taken in 2016:

- Purchase of extractor and multi-gas detector for working in confined spaces
- Training on work at height rescue techniques for 43 employees
- Issue of fire certificate for the cane trash hangar
- Psychosocial risks survey
- Establishment of a backup assembly point
- Purchase of clothing to provide protection in the event of a fire outbreak
- Occupational noise survey and risk assessment.

Health and Safety (cont'd)

Employees from external providers were encouraged to actively participate in awareness sessions and report regularly any Health and Safety issues. The accident severity and frequency rate was zero for external providers working at Terragen. Moreover, the reward scheme for the best Terragen employee or employee of external providers motivated the team to consistently uphold best Health and Safety practices. The basic training given to safety representatives is an indication of Terragen's commitment to continuously improve Health and Safety practices within the company.

Environment

The Group's environmental commitment is detailed on pages 72 to 77 of this report and Terra's industrial ecosystem chart can be found on page 21.

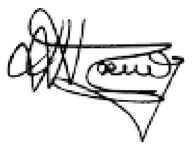
The Group is also sensitive to the promotion and awareness of sound environmental practice and decided, for example, to use recycled paper for its Annual Report. At the end of this Report, there is a list of frequently asked questions explaining the benefits of using recycled paper. In 2015, the Board had already invited shareholders 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 33% of shareholders have agreed to this.

Donations

Political and other donations made during the year, are shown on page 112.

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 66 to 69.



For Terra Services Ltd
Secretary
11 May 2017

Internal Controls and Risk Management

Terra's success as an organisation depends on its ability to identify and exploit the opportunities generated by its business and the markets it is in.

Whilst the ultimate responsibility for risk management rests with the Board, the effective day-to-day management of risk is in the way Terra conducts its business and the culture of its team. Terra takes an embedded approach to risk management which puts risk and opportunity assessment at the core of the leadership team's agenda.

Terra's approach to risk management is designed to provide reasonable, but not absolute, assurance that its assets are safeguarded, and to ensure that the risks facing the business are being assessed and mitigated, and that all information that may be required to be disclosed is reported to Terra's senior management.

As part of the overall corporate governance framework, the Board has ultimate responsibility for overseeing the risk governance framework and determining the nature and extent of the principal risks it is willing to accept to achieve its strategic objectives. The Board is also responsible for maintaining a sound system of risk management and internal controls.

The Audit and Risk Committee assists the Board by taking an active role in monitoring the risk management and internal control systems across Terra.

Internal Controls and Audit

In delivering its responsibilities in respect of internal controls and audit, the Committee has to:

- review the Group's statement on internal control systems prior to endorsement by the Board, and in particular to review:
  - i. the procedures for identifying business risks and controlling their impact on the Group
  - ii. the Group's policies for preventing or detecting fraud
  - iii. the Group's policies for ensuring that the company complies with relevant regulatory and legal requirements
  - iv. the operational effectiveness of the policies and procedures
- consider whether the objectives, organisation, staffing plans, financial budgets, audit plans and effectiveness of the internal audit function provide adequate support to enable the Committee to fulfill its mission
- review the results of work performed by the internal audit function in relation to corporate governance, internal control and any significant investigations and management responses
- review co-ordination between the internal audit function and the external auditors, and deal with any issues of material or significant dispute or concern
- review such significant transactions not directly related to the Group's normal business as the Committee might deem appropriate
- review significant cases of employee conflict of interest, misconduct or fraud, or any other unethical activity by employees or the Group
- review the controls over significant risks
- consider other relevant matters referred to it by the Board.

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, 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 to provide financial and operational performance data for management accounting purposes
- A review of accounting information on a regular basis at Audit and Risk Committee and Board level, with remedial action taken promptly as necessary
- A Code of Ethics to govern staff conduct, setting out the standards of integrity and professionalism required within the Group, monitored by the Ethics Committee
- Appropriate operational and compliance controls in all operating units.

- Mission and Scope of Internal Auditing

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve Terra's operations. It assists the Group in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the organisation's governance, risk management and internal controls.

Internal Controls and Audit (cont'd)

- Internal Auditor

Except for Grays, which has its own in-house internal auditor, and Terrarock, which has retained the services of UHY & Co, the Group's internal audit function is outsourced to Ernst & Young (EY). The scope of the internal function is to assist the Board to discharge its responsibilities and maintain the internal control framework.

- Reporting and Independence

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 the 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.

- Risk-Based Internal Audit Approach

- A risk-based methodology is applied, through which the auditors first establish a preliminary understanding of the business, operations and key risks through discussion with Terra's Audit and Risk Committee, directors and management, and review the risk register to identify high risk areas.
- Based on the risk identification, a three-year audit plan, which is established by the auditors, is approved by the Audit and Risk Committee.
- The approved three-year internal audit plan is thereafter rolled out and audit visits at business units are undertaken by the auditors.
- Audit reports are presented and discussed at the Audit and Risk Committee.
- The Audit Plan also includes dedicated follow-up visits undertaken in business units and areas where significant high risk issues have been reported in prior audit reports.

The risk based audit approach is illustrated in the chart below:

During 2016, the internal auditors performed four audit visits, which were in line with the audit plan approved by the Audit and Risk Committee.

Findings and observations made were discussed with Management of the respective business units, action plans to address internal control gaps were agreed with Management, incorporated in the internal audit reports and reported to the Audit and Risk Committee. The auditors had unrestricted access to the Group's records, management and employees in undertaking their work.

The representatives of the internal auditors, or the internal auditor himself in the case of Grays, attended the Audit and Risk Committee every quarter, when progress on internal audit activities were reported, and reports on completed audit visits were reviewed and discussed.

Risk Management Framework

The role and responsibilities of the Audit and Risk Committee regarding risk management consist in carrying out a robust assessment of the main risks facing Terra, including those that would threaten its business models, future performance, solvency and liquidity. The Committee has also the task of reviewing the Group's capability to identify and manage new risk types, and keeping under review the effectiveness of internal controls and risk management.

Risk Management Framework (cont'd)

In order to fulfil these responsibilities the Committee has more specifically to review:

- With the assistance of the legal advisers, the status of any legal matter that could have a significant impact on the Company's business
- Management reports detailing the adequacy and overall effectiveness of the Company's risk-management function and its implementation by Management, reports on internal controls, together with any recommendations, and confirmation that appropriate action has been taken
- Compliance with risk philosophy, strategy and policies, and with the Group's overall risk profile. Risk in the widest sense includes market risk, credit risk, liquidity risk, operation risk and commercial risk, which together cover detailed combined risks
- The adequacy of insurance coverage.

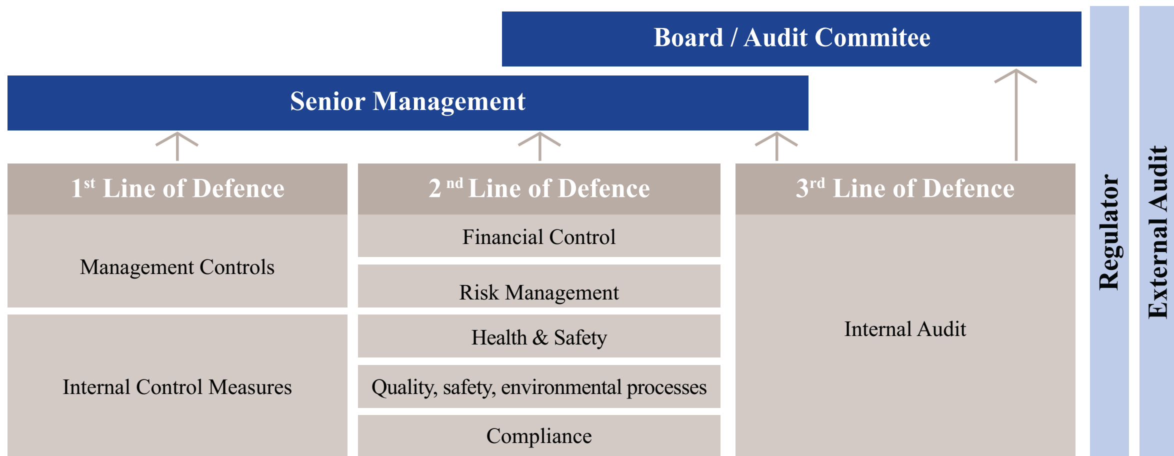
The Committee also assists the Board in fulfilling its oversight responsibilities by monitoring the integrity of the Group's financial statements and other financial information before publication.

In 2016, the Board, through the Audit and Risk Committee, reviewed the assessment of risks, internal controls and procedures in operation within Terra. They also considered the effectiveness of any remedial action taken during the year covered by this report.

Terra's Board monitors the principal risks and controls through:
► Levels of authority for transactions requiring Board approval for investments and capital expenditure
► Executive Directors' oversight of all significant day-to-day decisions
► The Managing Director reporting on strategic and important operational matters at each scheduled Board meeting
► The Finance Director reporting on the Group's forecasts, including actual and prospective metrics

- Terra's Lines of Defence

Terra has also adopted the three-lines-of-defence approach, with the aim of bringing about a greater understanding of the roles and responsibilities throughout the various risk-management and control functions. This also assists executive management, the Audit and Risk Committee, and ultimately the Board to have confidence that the control framework within the organisation is operating efficiently and effectively.



Adapted from ECIIA/FERMA Guidance on the 8th EU Company Law Directive, article 41

Risk Management Framework (cont'd)

- Terra's Lines of Defence (cont'd)

The first line of defence refers to the process of assessment by Management, providing a level of assurance over the design and effectiveness of the risk and control processes. At Terra, operational line managers and heads of department and business units are responsible for proper monitoring and reporting of risks, and the implementation of adequate and timely response activities to manage those risks.

The second line of defence refers to functions established by Management with the aim of monitoring and reporting on the effectiveness of the first line of defence in fulfilling its roles and responsibilities regarding risk management. At Terra, these monitoring functions include risk management, compliance, Health and Safety, quality, safety and environmental processes.

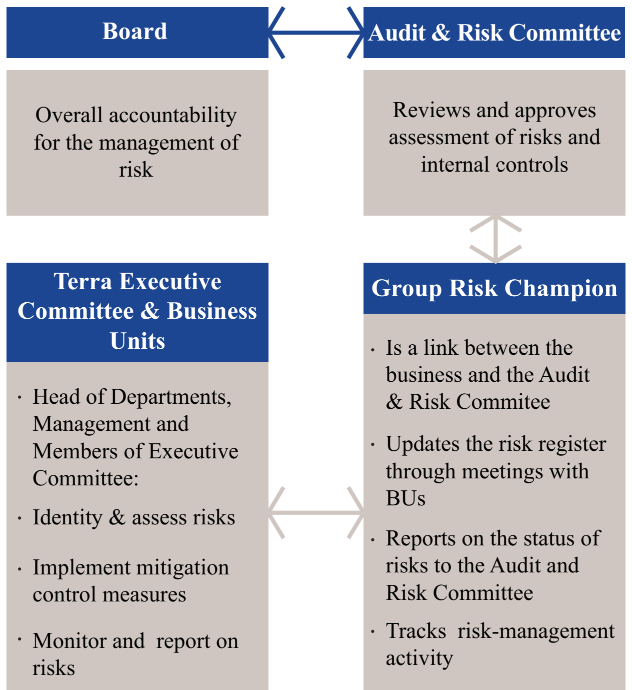
The third line of defence consists of objective, independent control, evaluation and monitoring functions, outsourced to EY as internal auditors. The internal auditors provide an independent and objective assurance and consulting activity.

- Risk Management Approach

Terra has generally adopted the principles of the Enterprise Risk Management Model for managing its risks.

The Board has previously agreed its Risk Management Framework, the development of which was facilitated by EY, and a Group Risk Champion designated to maintain the risk register and report thereon regularly to the Audit and Risk Committee.

The 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 being properly managed. The risk register is maintained and updated on a continuous basis by the Group Risk Champion as outlined as follows.



Internal Controls and Risk Management (cont'd)

Risk Management Framework (cont'd)

- Key Risk Profile of the Group

Risks identified relate to the following areas:
- Cost competitiveness – Risks which might prevent the Group from remaining economically viable
- Stakeholder confidence – Risks which might prevent the Group from maintaining or building on strong relationships with stakeholders
- Customer reach – Risks which might prevent the Group from taking maximum advantage of market opportunities for its products and services
- Operational agility – Risks which might inhibit the Group 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.

- Risks in Decision-Making

The Board, advised by the Audit and Risk Committee where appropriate, reviews the significant risks when taking decisions that could have a material impact on Terra. These reviews consider the level of risk that Terra is prepared to take in pursuit of the business strategy and the effectiveness of the management controls in place to mitigate risk exposure.

Margaret Wong Ping Lun
Chairperson of the Audit and Risk Committee

09 May 2017

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 2017

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 2016

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, 2.8.2 and 3.9.3 of the Code of Corporate Governance. Reasons for non-compliance are given on pages 95, 100 and 96 respectively of the Corporate Governance report.

Alain Rey
Chairman

Nicolas Maigrot
Managing Director

11 May 2017

Corporate Information

102-3 102-4

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Website: www.terra.co.mu

Secretary

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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

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Telefax: (230) 243 9699
E-mail: aventure.sucre@intnet.mu
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Telefax: (230) 243 9675
E-mail: terrafinance@terra.co.mu

Statement of Directors' Responsibilities in Respect of Financial Statements

Directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS);

(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements;

(iv) establishing Internal Audit function to ensure internal controls are in force.

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 pages 113 to 116.

The directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) IFRS have been adhered to. Any departure in the interest of fair presentation has been disclosed, explained and quantified.

(iv) the Code of Corporate Governance has been adhered to. Reasons have been provided where there has been non-compliance.

Signed on behalf of the Board of directors by

Alain Rey
Chairman

Nicolas Maigrot
Managing Director

11 May 2017

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 2016 are given on page 94 of this report. In addition, a list of directors of subsidiary companies at the same date appears on page 188.

Service Contracts

Three executive directors, namely Messrs Nicolas Maigrot, Alexis Harel and Henri Harel have at present service contracts without expiry dates with group companies. Mr Alain Vallet has retired as executive on 31 December 2016 and benefited of a pre-retirement leave up to 31 March 2017. 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	
	2016 MUR'M	2015 MUR'M	**2016 MUR'M**	2015 MUR'M
Emoluments paid by the Company and its subsidiaries to:				
- Directors of Terra Mauricia Ltd:				
• Executive				
Full-time	**0.9**	0.9	**24.9**	30.9
Part-time	**1.5**	1.3	**13.1**	12.0
• Nonexecutive	**5.0**	5.5	**0.3**	0.4
	7.4	7.7	**38.6**	43.2

Directors of subsidiary companies (other than those of Terra Mauricia Ltd):	**2016 MUR'M**	2015 MUR'M
• 13 Executive (10 in 2015)		
Full-time	**51.4**	48.2
• 17 Nonexecutive (16 in 2015)	**0.6**	0.6
	52.0	48.8

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	
	2016 MUR'M	2015 MUR'M	**2016 MUR'M**	2015 MUR'M
Audit fees paid to:				
• BDO & Co	**3.3**	3.2	**0.9**	0.8

The auditors did not receive any fees for other services.

Donations

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Contributions towards Corporate Social Responsibility	**8.0**	7.4
Number of projects funded: 59. (2015: 50)		
Political	**-**	0.3

Senior Officers' Interests

The Group's senior officers' interests in the company as declared under the Securities Act 2005 as at 31 December 2016 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%	-	-	23,583	0.01%	-	-
Henri Harel	413,666	0.18%	-	-	436,310	0.19%	4,541,285	2.00%
Alain Vallet	263,890	0.12%	-	-	227,143	0.10%	-	-
Hubert Harel	75,000	0.03%	-	-	-	-	156,000	0.07%
Jean Marc Jauffret	1,000	0.00%	-	-	-	-	-	-
Sébastien Mamet	300	0.00%	-	-	-	-	-	-
Bernard Desvaux de Marigny	1,925	0.00%	-	-	-	-	-	-
Noufail Manjoo	235	0.00%	-	-	-	-	-	-
Christopher Park	3,000	0.00%	-	-	-	-	-	-
	759,149	0.33%	-	-	687,302	0.30%	4,697,285	2.06%

Total issued shares 227,545,624

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

Independent Auditor's Report to the Shareholders of Terra Mauricia Ltd

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 auditor's 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 Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Terra Mauricia Ltd and its subsidiaries (the Group), and the Company's separate financial statements on pages 117 to 187 which comprise the statements of financial position as at December 31, 2016, and the 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 117 to 187 give a true and fair view of the financial position of the Group and of the Company as at December 31, 2016, and of 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

THE COMPANY	
KEY AUDIT MATTER	AUDIT RESPONSE
1 Investments	
Valuation of investments The Company's financial investments amount to MUR 14,998 M. The valuation of financial investments held at fair value is based on a range of inputs. Many of the inputs required can be obtained from readily available liquid market prices and rates. Where observable market data is not available, estimates must be developed based on the most appropriate source data and are subject to significant judgement. The main risks identified are related to the high value of the items as well as the use of significant judgement in the fair value exercise. There is also a risk of impairment which needs to be assessed. Refer to notes 8 to 10 of the accompanying financial statements.	We assessed the reasonableness of assumptions and forecasts used in the fair value models. We also assessed the reasonableness of the forecasts used in the fair value exercise. Where independent valuers were involved, we assessed the range of inputs used in their valuations. We have reviewed the classification and accounting treatment of the Company's investment portfolio in line with the accounting polices set out in notes 2.5, 2.6 and 2.7 to the financial statements.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

THE GROUP	
KEY AUDIT MATTER	AUDIT RESPONSE
2 Property, Plant & Equipment (PPE)	
Valuation of land and buildings As set out in the critical accounting estimates and judgements on page 146, and in the notes on page 149 of the financial statements, the Group measures its land, buildings and civil works and power plant at fair value and this represents a significant accounting estimate. PPE assets are measured initially at cost, with land and buildings subsequently measured at fair value. Valuations are performed by an independent professionally accredited expert, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the Statement of Financial Position date. The main risks identified are related to the involvement of a range of judgemental assumptions. PPE is valued at MUR 11,294 M in the Group's Statement of Financial Position as at 31 December 2016. Refer to note 5 of the accompanying financial statements.	**Valuation** We assessed the credentials of the independent property valuer. We sought alternative opinions from two other independent property valuers as per ISA 620. We assessed the assumptions used in the valuation report submitted by the independent property valuer. We held discussions with the valuer and the directors to assess the valuation. We confirmed that the valuation was correctly accounted for and disclosed in the financial statements.

3 Consumable Biological assets	
Valuation of consumable biological assets The Group's consumable biological assets shown on page 160 represent MUR 214.1 M. 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 main risks identified relate to the use of significant judgement in the valuation of the consumable biological assets. Refer to note 16 of the accompanying financial statements.	We have tested the assumptions and discussed with the relevant heads of departments to assess the reasonableness of the estimates used in the valuation.

4 Inventories	
Existence and valuation of inventories Inventories for the Group amount to MUR 845.2 M at December 31, 2016. Inventories consist mainly of wines and spirits among other consumer products kept in 2 stores and in all the sales and distribution outlets spread across the island. Valuation of the inventories is at the lower of cost and net realizable value. The main risks identified are related to the nature of the inventories (fast moving consumer products) and their geoprahical dispersion and logistics, and the high value of these inventories. Refer to note 15 of the accompanying financial statements.	Our audit procedures to test the existence of the inventories mainly consisting of testing the relevant internal control procedures, specifically by testing the inventory cycle counts that are periodically performed by management and the automated recording of sales transactions (three-way-match). We assessed the subsidiary's stock taking processes and attended the full inventory count at the bonded warehouse as well as sample counts at the stores. We performed a recalculation of the major inventory balances at the year end and inspected the subsidiary's inventory count rate reports relating to inventory coverage and analyzed inventory differences in order to detect possible deviations. We reviewed the principles for accounting inventory write-downs and adequacy of the write-downs recognised in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the statutory disclosures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Afsar Ebrahim, F.C.A
Licensed by FRC

Port-Louis, Mauritius.
30 March 2017

STATEMENTS OF FINANCIAL POSITION
102-7 DECEMBER 31, 2016

		THE GROUP		THE COMPANY	
	Notes	**2016**	2015	**2016**	2015
ASSETS		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Non-current assets					
Property, plant and equipment	5	**11,294.0**	14,685.7	-	-
Investment properties	6	**208.3**	214.6	-	-
Intangible assets	7	**392.2**	387.3	-	-
Investment in subsidiaries	8	-	-	**13,618.2**	12,966.5
Investment in associates	9	**3,012.4**	2,944.1	**1,020.4**	1,426.6
Investment in financial assets	10	**402.1**	409.4	**359.4**	427.8
Non-current receivables	11	**27.3**	127.6	**15.1**	11.4
Bearer biological assets	12	**7.4**	7.4	-	-
Land development expenditure	13	**8.6**	77.9	-	-
Deferred tax assets	14	**103.6**	118.0	-	-
		15,455.9	18,972.0	**15,013.1**	14,832.3
Current assets					
Inventories	15	**845.2**	748.1	-	-
Consumable biological assets	16	**214.1**	204.1	-	-
Trade and other receivables	17	**1,367.9**	1,312.8	**45.5**	41.5
Derivative financial instruments	18	**5.1**	3.1	-	-
Cash and cash equivalents	32	**337.3**	133.0	**9.5**	4.6
		2,769.6	2,401.1	**55.0**	46.1
Non-current assets classified as held for sale	19	**122.9**	115.9	-	-
Total assets		**18,348.4**	21,489.0	**15,068.1**	14,878.4
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	20	**11,976.0**	11,976.0	**11,976.0**	11,976.0
Revaluation and other reserves	21	**298.8**	3,873.0	**951.1**	631.3
Retained earnings		**1,032.0**	1,006.1	**1,737.8**	1,914.7
Owners' interest		**13,306.8**	16,855.1	**14,664.9**	14,522.0
Non-controlling interests		**1,003.7**	975.1	-	-
Total equity		14,310.5	17,830.2	**14,664.9**	14,522.0
Non-current liabilities					
Borrowings	22	**361.4**	424.0	-	-
Deferred tax liabilities	14	**220.6**	272.9	-	-
Retirement benefit obligations	23	**597.3**	584.8	-	-
		1,179.3	1,281.7	-	-
Current liabilities					
Trade and other payables	24	**828.5**	792.8	**12.4**	25.1
Current tax liabilities	25	**29.9**	28.8	**0.2**	0.3
Borrowings	22	**1,997.6**	1,553.6	**390.6**	331.0
Dividends payable		**0.3**	-	-	-
		2,856.3	2,375.2	**403.2**	356.4
Liabilities directly associated with non-current assets classified as held for sale	19(b)	2.3	1.9	-	-
Total liabilities		**4,037.9**	3,658.8	**403.2**	356.4
Total equity and liabilities		**18,348.4**	21,489.0	**15,068.1**	14,878.4

These financial statements have been approved for issue by the Board of Directors on 30 March 2017.

Nicolas Maigrot
Managing Director

Mrs Margaret Wong Ping Lun
Director

The notes on pages 124 to 187 form an integral part of these financial statements.
Auditors' report on pages 113 to 116.

STATEMENTS OF PROFIT OR LOSS
YEAR ENDED DECEMBER 31, 2016

		THE GROUP		THE COMPANY	
	Notes	**2016 MUR'M**	2015 MUR'M	**2016 MUR'M**	2015 MUR'M
Revenue	2.26, 39(c)	**4,860.5**	4,282.7	**293.7**	301.8
Compensation from the Sugar Insurance Fund Board	40	**-**	99.9	**-**	-
Gains arising from changes in fair value of consumable biological assets	16	**10.0**	50.5	**-**	-
		4,870.5	4,433.1	**293.7**	301.8
Cost of sales		**(3,535.2)**	(3,332.6)	**-**	-
Gross profit		**1,335.3**	1,100.5	**293.7**	301.8
Other income/(costs)	26	**138.8**	189.6	**2.4**	(2.9)
Administrative expenses		**(526.1)**	(408.8)	**(18.8)**	(17.8)
Distribution costs		**(140.0)**	(124.4)	**-**	-
Other expenses		**(348.2)**	(353.4)	**-**	-
Profit before finance costs	27	**459.8**	403.5	**277.3**	281.1
Finance costs	29	**(78.8)**	(72.5)	**(16.7)**	(11.9)
Profit after finance costs		**381.0**	331.0	**260.6**	269.2
Share of results of associates	9	**52.4**	287.0	**-**	-
Impairment of associate	9	**-**	-	**(244.2)**	-
Reversal of impairment of associate	9	**-**	166.1	**-**	-
Profit before taxation		**433.4**	784.1	**16.4**	269.2
Taxation	25	**(65.2)**	(57.7)	**0.1**	(0.3)
Profit for the year		**368.2**	726.4	**16.5**	268.9
Profit attributable to:					
Owners of the parent		**219.3**	597.1	**16.5**	268.9
Non-controlling interests		**148.9**	129.3	**-**	-
		368.2	726.4	**16.5**	268.9
Earnings per share (MUR)	30	**0.96**	2.62	**0.07**	1.18

The notes on pages 124 to 187 form an integral part of these financial statements.
Auditors' report on pages 113 to 116.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2016

	THE GROUP		THE COMPANY	
	2016 MUR'M	2015 MUR'M	**2016 MUR'M**	2015 MUR'M
Profit for the year	**368.2**	726.4	**16.5**	268.9
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Change in revaluation of land and buildings (note 5(d))	**(3,506.4)**	-	**-**	-
Deferred tax on revaluation of buildings	**20.6**	-	**-**	-
Remeasurements of post employment benefit obligations	**(12.6)**	(99.6)	**-**	-
Deferred tax on remeasurements of post employment benefit obligations	**1.8**	14.9	**-**	-
Share of other comprehensive income of associates	**(49.4)**	91.2	**-**	-
Scrappings of revalued property, plant and equipment	**-**	(0.3)	**-**	-
Items that may be reclassified subsequently to profit or loss:				
(Decrease)/increase in fair value of investments	**(64.1)**	(43.5)	**319.8**	675.0
Fair value movement on disposal of financial assets	**-**	-	**-**	-
Translation reserve movement	**11.1**	(13.2)	**-**	-
Other comprehensive income for the year	**(3,599.0)**	(50.5)	**319.8**	675.0
Total comprehensive income for the year	**(3,230.8)**	675.9	**336.3**	943.9
Total comprehensive income attributable to:				
Owners of the parent	**(3,374.3)**	556.3	**336.3**	943.9
Non-controlling interests	**143.5**	119.6	**-**	-
	(3,230.8)	675.9	**336.3**	943.9

The notes on pages 124 to 187 form an integral part of these financial statements.
Auditors' report on pages 113 to 116.

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2016

THE GROUP	Notes	**Attributable to owners of the parent**				**Non-Controlling Interests MUR'M**	**Total Equity MUR'M**
		Share Capital MUR'M	**Revaluation and Other Reserves MUR'M**	**Retained Earnings MUR'M**	**Total MUR'M**		
At January 1, 2016		**11,976.0**	**3,873.0**	**1,006.1**	**16,855.1**	**975.1**	**17,830.2**
Profit for the year		**-**	**-**	**219.3**	**219.3**	**148.9**	**368.2**
Other comprehensive income for the year		**-**	**(3,593.6)**	**-**	**(3,593.6)**	**(5.4)**	**(3,599.0)**
Release of deferred tax on excess depreciation over historical cost depreciation		**-**	**1.0**	**-**	**1.0**	**0.2**	**1.2**
Movement in reserves		**-**	**15.7**	**-**	**15.7**	**-**	**15.7**
Consolidation adjustment		**-**	**2.7**	**-**	**2.7**	**-**	**2.7**
Dividends	31	**-**	**-**	**(193.4)**	**(193.4)**	**(115.1)**	**(308.5)**
Balance at December 31, 2016		**11,976.0**	**298.8**	**1,032.0**	**13,306.8**	**1,003.7**	**14,310.5**

THE GROUP	Notes	**Attributable to owners of the parent**				Non-Controlling Interests MUR'M	Total Equity MUR'M
		Share Capital MUR'M	Revaluation and Other Reserves MUR'M	Retained Earnings MUR'M	Total 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	31	-	-	(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

The notes on pages 124 to 187 form an integral part of these financial statements.
Auditors' report on pages 113 to 116.

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, 2016		**11,976.0**	**(172.3)**	**803.6**	**1,914.7**	**14,522.0**
Profit for the year		**-**	**-**	**-**	**16.5**	**16.5**
Other comprehensive income for the year		**-**	**-**	**319.8**	**-**	**319.8**
Dividends	31	**-**	**-**	**-**	**(193.4)**	**(193.4)**
At December 31, 2016		**11,976.0**	**(172.3)**	**1,123.4**	**1,737.8**	**14,664.9**

	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	31	-	-	-	(193.4)	(193.4)
At December 31, 2015		11,976.0	(172.3)	803.6	1,914.7	14,522.0

The notes on pages 124 to 187 form an integral part of these financial statements.
Auditors' report on pages 113 to 116.

STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

		THE GROUP		THE COMPANY	
	Notes	**2016**	2015	**2016**	2015
Operating activities		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Profit before taxation		**433.4**	784.1	**16.4**	269.2
Adjustments for:					
Depreciation	5	**348.1**	335.5	**-**	-
Release of deferred revenue		**-**	(2.1)	**-**	-
Profit on sale of property, plant and equipment/non current assets classified as held for sale		**(65.0)**	(71.7)	**-**	-
(Profit)/loss on sale of investments		**-**	(7.9)	**-**	2.9
Retirement benefit obligations		**(0.2)**	(4.9)	**-**	-
Amortisation of intangible assets	7	**8.7**	5.7	**-**	-
Depreciation of investment properties	6	**6.4**	6.4	**-**	-
Amortisation of VRS costs		**-**	23.1	**-**	-
Reversal of impairment of associate		**-**	(166.1)	**-**	-
Impairment of associate	9	**-**	-	**244.2**	-
Exchange differences		**-**	0.3	**-**	0.3
Derivative financial instruments		**(2.0)**	(2.3)	**-**	-
Investment income		**(18.6)**	(13.2)	**(293.7)**	(301.8)
Interest expense	29	**92.5**	88.5	**16.7**	11.8
Share of results of associates		**(52.4)**	(287.0)	**-**	-
Changes in working capital:					
- inventories		**(92.8)**	(86.1)	**-**	-
- consumable biological assets	16	**(10.0)**	(50.5)	**-**	-
- trade and other receivables		**(38.0)**	(149.0)	**(4.0)**	0.5
- trade and other payables		**29.6**	117.4	**(12.7)**	5.6
		639.7	520.2	**(33.1)**	(11.5)
VRS costs paid		**-**	-	**-**	-
Interest paid		**(92.5)**	(88.5)	**(16.7)**	(11.8)
Net income tax paid		**(75.8)**	(52.3)	**-**	(0.1)
Net cash from/(used in) operating activities		**471.4**	379.4	**(49.8)**	(23.4)

The notes on pages 124 to 187 form an integral part of these financial statements.
Auditors' report on pages 113 to 116.

STATEMENTS OF CASH FLOWS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

		THE GROUP		THE COMPANY	
	Notes	**2016**	2015	**2016**	2015
Investing activities		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Purchase of property, plant and equipment/investment properties	5,6	**(358.6)**	(253.6)	**-**	-
Intangible assets acquired	7	**(13.7)**	(7.0)	**-**	-
Replantation costs	5	**(70.7)**	(83.5)	**-**	-
Land development expenditure/ non-current assets classified as held for sale		**(23.5)**	(35.3)	**-**	-
Purchase of investment in					
- subsidiaries		**-**	-	**(4.1)**	(0.3)
- associates	9	**(97.6)**	(212.2)	**(96.5)**	(212.2)
- others	10	**(56.8)**	(1.0)	**(0.9)**	(1.0)
Deposit on investment		**-**	(102.0)	**-**	-
Proceeds on sale of property, plant and equipment/non-current assets classified as held for sale		**122.1**	128.8	**-**	-
Proceeds on sale of investments		**-**	9.3	**-**	9.3
Loans granted to related party		**(2.6)**	(19.1)	**(3.7)**	(11.4)
Interest received		**12.3**	6.4	**-**	-
Dividend received		**141.5**	150.9	**293.7**	301.8
Net cash (used in)/from investing activities		**(347.6)**	(418.3)	**188.5**	86.2
Financing activities					
Proceeds from borrowings		**516.1**	320.3	**174.9**	247.0
Repayment of loans		**(73.5)**	(53.5)	**(121.3)**	(124.0)
Finance lease principle repayment		**(9.6)**	(8.1)	**-**	-
Dividends paid to shareholders of Terra Mauricia Ltd	31	**(193.4)**	(193.4)	**(193.4)**	(193.4)
Dividends paid to outside shareholders of subsidiaries		**(115.1)**	(102.8)	**-**	-
Net cash (used in)/from financing activities		**124.5**	(37.5)	**(139.8)**	(70.4)
Increase/(Decrease) in cash and cash equivalents		**248.3**	(76.4)	**(1.1)**	(7.6)
Movement in cash and cash equivalents					
At January 1,		**(118.0)**	(41.6)	**1.0**	8.6
Increase/(Decrease)		**248.3**	(76.4)	**(1.1)**	(7.6)
Consolidation adjustment		**6.0**	-	**-**	-
At December 31,	32	**136.3**	(118.0)	**(0.1)**	1.0

The notes on pages 124 to 187 form an integral part of these financial statements.
Auditors' report on pages 113 to 116.

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 Beau Plan Business Park, Pamplemousses.

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.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 14 Regulatory Deferral Accounts provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Group's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Group's financial statements.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). The amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. Amendments clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment. IAS 38 now includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome under specific conditions. The amendment has no impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41). IAS 41 now distinguishes between bearer plants and other biological asset. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses.

Annual Improvements to IFRSs 2012-2014 cycle

- IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the Group's financial statements.

- IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the Group's financial statements.

- IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the Group's financial statements.

- IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Group's financial statements.

- IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the Group's financial statements.

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Confirmation that the notes do not need to be presented in a particular order. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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 January 1, 2017 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
IFRS 15 Revenue from Contract with Customers
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 16 Leases
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
Amendments to IAS 7 Statement of Cash Flows
Clarifications to IFRS 15 Revenue from Contracts with Customers
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
Annual Improvements to IFRSs 2014-2016 Cycle
IFRIC 22 Foreign Currency Transactions and Advance Consideration
Transfers of Investment Property (Amendments to IAS 40)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

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 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 18.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

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 201-3

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

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, 2016					
Trade and other receivables	**1,196.0**	**83.3**	**78.1**	**10.5**	**1,367.9**
Cash in hand and at bank	**266.0**	**11.0**	**50.5**	**9.8**	**337.3**
Other assets	**15,768.9**	**724.7**	**130.5**	**19.1**	**16,643.2**
Total assets	**17,230.9**	**819.0**	**259.1**	**39.4**	**18,348.4**
Liabilities	**3,234.8**	**549.9**	**181.0**	**72.2**	**4,037.9**
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

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	USD MUR'M	EURO MUR'M	TOTAL MUR'M
At December 31, 2016				
Trade and other receivables	**45.5**	**-**	**-**	**45.5**
Cash in hand and at bank	**5.7**	**3.0**	**0.8**	**9.5**
Other assets	**14,275.1**	**-**	**738.0**	**15,013.1**
Total assets	**14,326.3**	**3.0**	**738.8**	**15,068.1**
Liabilities	**403.2**	**-**	**-**	**403.2**
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

At December 31, 2016, 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	
	2016 MUR'M	2015 MUR'M	**2016 MUR'M**	2015 MUR'M
Rupee strengthened/weakened by 5%				
Post-tax profit and equity	**15.7**	53.3	**37.1**	37.1

(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	
	2016 MUR'M	2015 MUR'M	**2016 MUR'M**	2015 MUR'M
	+/-5%	+/-5%	**+/-5%**	+/-5%
Available-for-sale investments	**20.1**	20.5	**746.1**	741.0

(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, 2017 is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'M	MUR'M	**MUR'M**	MUR'M
Opening balance	**136.3**	(118.0)	**(0.1)**	1.0
Cash flows from/(used in) operating activities	**602.6**	471.4	**14.3**	(49.8)
Cash flows (used in)/from investing activities	**(396.6)**	(341.6)	**90.3**	188.5
Cash flows (used in)/from financing activities	**(270.7)**	124.5	**(193.4)**	(139.8)
Closing balance	**71.6**	136.3	**(88.9)**	(0.1)

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, 2016			
Borrowings including bank overdrafts	**1,997.6**	**102.3**	**259.1**
Trade and other payables	**828.5**	**-**	**-**
At December 31, 2015			
Borrowings including bank overdrafts	1,553.6	70.5	353.5
Trade and other payables	792.8	-	-

THE COMPANY	Less than 1 year MUR'M
At December 31, 2016	
Borrowings including bank overdrafts	**390.6**
Trade and other payables	**12.4**
At December 31, 2015	
Borrowings including bank overdrafts	331.0
Trade and other payables	25.1

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

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, 2016, 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)	
	2016	2015	**2016**	2015
THE GROUP	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Impact on post-tax profit and shareholders' equity	**1.4**	1.5	**-**	1.7
THE COMPANY				
Impact on post-tax profit and shareholders' equity	**0.4**	0.3	**N/A**	N/A

(ii) At December 31, 2016, 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 2016, the Group's strategy, which was unchanged from 2015, 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 2016 and 31 December 2015 were as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Total debt (note 22)	**2,359.0**	1,977.6	**390.6**	331.0
Less: cash in hand and at bank	**(337.3)**	(133.0)	**(9.5)**	(4.6)
Net debt	**2,021.7**	1,844.6	**381.1**	326.4
Total equity	**14,310.5**	17,830.2	**14,664.9**	14,522.0
Debt-to-adjusted capital ratio	**0.14:1**	0.10:1	**0.03:1**	0.02:1

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 201-3

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, 2016.

(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

Following the LMC Report, Government has taken a series of measures to support the sugar industry, in December 2015, in the Finance Act 2016 and in the Sugar Industry Efficiency (Amendment) Act 2016. The LMC Report recommendations are now implemented. In addition, an actuarial review is ongoing and is expected to examine ways and means of better reconciling climatic and economic hazard, whilst maintaining the perennity of the Sugar Insurance Fund.

In the light of the above, assets and investments in respect of cane growing and milling entities have been maintained at their existing carrying values.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

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	Bearer Plants	Total
	MUR'M	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, 2016											
- Cost	3,767.9	257.9	243.3	195.6	16.1	670.9	406.2	514.3	360.2	591.9	7,024.3
- 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	591.9	20,157.5
Additions	-	16.3	87.6	38.3	7.0	102.1	7.1	70.7	29.5	70.7	429.3
Disposals/Scrapped assets	(44.3)	(3.9)	-	-	-	(17.6)	(0.7)	(22.5)	(10.1)	-	(99.1)
Transfers	78.0	-	-	-	-	-	-	-	(0.8)	-	77.2
Revaluation adjustment (note (d))	(3,369.2)	-	(137.2)	-	-	-	-	-	-	-	(3,506.4)
Assets fully depreciated	-	-	-	-	-	-	-	-	-	(82.6)	(82.6)
Consolidation adjustment	-	-	-	4.0	-	-	-	1.4	0.2	-	5.6
At December 31, 2016											
- Cost	**3,801.6**	**270.3**	**330.9**	**237.9**	**23.1**	**755.4**	**412.6**	**563.9**	**379.0**	**580.0**	**7,354.7**
- Valuation	**4,547.5**	**-**	**1,257.3**	**2,107.9**	**370.4**	**1,343.7**	**-**	**-**	**-**	**-**	**9,626.8**
	8,349.1	**270.3**	**1,588.2**	**2,345.8**	**393.5**	**2,099.1**	**412.6**	**563.9**	**379.0**	**580.0**	**16,981.5**
DEPRECIATION											
At January 1, 2016	-	90.2	1,267.4	1,208.8	194.4	1,414.1	386.3	354.8	261.6	294.2	5,471.8
Charge for the year	-	3.4	30.2	54.9	9.1	68.5	17.9	56.6	27.5	80.0	348.1
Disposals/Scrapped assets	-	(0.9)	-	-	-	(17.3)	(0.7)	(22.5)	(8.2)	-	(49.6)
Transfers	-	-	-	-	-	-	-	-	(0.4)	-	(0.4)
Assets fully depreciated	-	-	-	-	-	-	-	-	-	(82.6)	(82.6)
Consolidation adjustment	-	-	-	0.1	-	-	-	0.1	-	-	0.2
At December 31, 2016	**-**	**92.7**	**1,297.6**	**1,263.8**	**203.5**	**1,465.3**	**403.5**	**389.0**	**280.5**	**291.6**	**5,687.5**
NET BOOK VALUES											
At December 31, 2016	**8,349.1**	**177.6**	**290.6**	**1,082.0**	**190.0**	**633.8**	**9.1**	**174.9**	**98.5**	**288.4**	**11,294.0**

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	Bearer Plants	Total
	MUR'M	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	593.7	6,798.6
- 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	593.7	19,931.8
Additions	-	3.9	29.8	31.7	1.0	81.8	5.0	68.7	31.7	83.5	337.1
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)
Assets fully depreciated	-	-	-	-	-	-	-	-	-	(85.3)	(85.3)
At December 31, 2015											
- Cost	**3,767.9**	**257.9**	**243.3**	**195.6**	**16.1**	**670.9**	**406.2**	**514.3**	**360.2**	**591.9**	**7,024.4**
- 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**	**591.9**	**20,157.6**
DEPRECIATION											
At January 1, 2015	-	86.9	1,238.3	1,158.0	185.5	1,350.0	371.4	315.6	235.4	297.6	5,238.7
Charge for the year	-	3.4	29.1	53.2	8.9	64.9	22.7	46.4	24.9	82.0	335.5
Disposals/Scrapped assets	-	-	-	(2.4)	-	(0.8)	-	(12.0)	(1.8)	-	(17.0)
Transfers	-	(0.1)	-	-	-	-	(7.8)	4.8	3.1	-	-
Assets fully depreciated	-	-	-	-	-	-	-	-	-	(85.3)	(85.3)
At December 31, 2015	**-**	**90.2**	**1,267.4**	**1,208.8**	**194.4**	**1,414.1**	**386.3**	**354.8**	**261.6**	**294.3**	**5,471.9**
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**	**297.6**	**14,685.7**

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

(c) The Group has adopted the amendments made to IAS 16 and IAS 40 in relationship to bearer plants. Bearer plants were reclassified to property, plant and equipment. Comparative figures have been restated accordingly.

(d) Land and buildings

The Group's land and buildings were revalued at December 31, 2016 by an independent valuer at MUR. 8.5bn on the basis of open market value in accordance solely to their existing/current (agricultural) uses, after taking into account the market risks, time and effort in eventually realising the Land bank. This valuation basis excludes potential incremental value from advantageous location attributes such as along or near main routes, along or near limits of defined settlements, along or near built-up zones, along or near coastal roads and proximity to existing infrastructure, should the land be converted to other uses. The Directors are of opinion that this basis best reflects the fair value of the properties based on existing basis and use. It is impracticable to determine the cumulative effect of applying the change in valuation basis to all prior periods. The Group has in accordance with IAS 8, applied the change in basis prospectively resulting in the decrease in owner's interest (note 21).

The open market value of the Group's land and buildings (excluding investment properties) in accordance solely to their existing/current use, after adjustment for market risks, inclusive of the potential incremental value from advantageous location attributes, is MUR. 11.1bn. However, this value would only be realised over time and with significant investment from Terra.

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,	**2016**	2015
	MUR'M	MUR'M
Freehold land	**8,349.1**	11,684.6
Buildings	**290.6**	370.4
Power plant	**1,082.0**	1,094.7
Building and civil works	**190.0**	192.1
Factory equipment	**633.8**	600.5
Total	**10,545.5**	13,942.3

The fair value of the freehold land and buildings were derived using the sales comparison approach. This approach considers the sales of similar or substitute properties and related market data, and establishes value estimate by process involving comparison.

For certain types of buildings where comparison remain difficult with available market data, then the depreciated replacement cost approach is adopted.

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.

(e) The Group is eligible for the conversion of 480.21 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 146.21 arpents.
(ii) Closure of Beau Plan Sugar Factory with 58.49 arpents.
(iii) Upgrading and modernization of Belle Vue Sugar Factory with 143.89 arpents.
(iv) Setting up of CTBV Power Plant with 131.62 arpents.

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

(f) 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.

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

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Cost of sales	**136.6**	131.3
Other expenses	**211.5**	204.2
	348.1	335.5

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

THE GROUP	Land	Buildings	Factory Equipment	Power Plant	Building and Civil Works
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
2016					
Cost	**3,801.6**	**330.8**	**755.4**	**237.9**	**23.1**
Accumulated depreciation	**-**	**(270.3)**	**(527.3)**	**(128.2)**	**(11.9)**
Net book value	**3,801.6**	**60.5**	**228.1**	**109.7**	**11.2**

THE GROUP	Land	Buildings	Factory Equipment	Power Plant	Building and Civil Works
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
2015					
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

(i) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including property, plant and equipment (note 22(f)).

(j) Additions include MUR'M Nil (2015: MUR'M Nil) of assets leased under finance leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

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

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

	THE GROUP		
2016	Agricultural Equipment	Motor Vehicles	Total
	MUR'M	MUR'M	MUR'M
Cost - capitalised finance leases	**62.3**	**4.7**	**67.0**
Accumulated depreciation	**(28.5)**	**(3.6)**	**(32.1)**
Net book value	**33.8**	**1.1**	**34.9**

2015	Agricultural Equipment	Motor Vehicles	Total
	MUR'M	MUR'M	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

6. INVESTMENT PROPERTIES

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
COST		
At January 1,	**299.6**	299.5
Transfer	**-**	0.1
At December 31,	**299.6**	299.6
DEPRECIATION		
At January 1,	**84.9**	78.4
Charge for the year	**6.4**	6.4
Transfer adjustment	**-**	0.1
At December 31,	**91.3**	84.9
NET BOOK VALUES		
At December 31,	**208.3**	214.6
Fair Value	**267.7**	307.1

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	
	2016	2015
December 31,	**MUR'M**	MUR'M
Buildings	**267.7**	307.1

Fair value is based on market value and directors' valuation.

(b) The following amounts have been recognised in profit or loss:

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Rental income	**27.9**	24.1
Direct operating expenses from investment properties that generate rental income	**15.3**	11.6

(c) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including investment properties (note 22(f)).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

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, 2016	319.6	46.1	13.9	45.2	47.8	2.1	474.7
Additions	-	-	-	13.7	-	-	13.7
Transfers	-	-	-	(0.2)	-	-	(0.2)
At December 31, 2016	**319.6**	**46.1**	**13.9**	**58.7**	**47.8**	**2.1**	**488.2**
AMORTISATION							
At January 1, 2016	-	-	-	39.6	47.8	-	87.4
Charge for the year	-	-	-	8.7	-	-	8.7
Transfers	-	-	-	(0.1)	-	-	(0.1)
At December 31, 2016	**-**	**-**	**-**	**48.2**	**47.8**	**-**	**96.0**
NET BOOK VALUES							
At December 31, 2016	**319.6**	**46.1**	**13.9**	**10.5**	**-**	**2.1**	**392.2**

(b) THE GROUP							
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**

(c) Amortisation charge of MUR'M 8.7 (2015: MUR'M 5.7) 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	
	2016	2015
	MUR'M	MUR'M
At January 1,	**12,966.5**	12,424.8
Transfer from investment in associates (note 9)	**122.2**	-
Additions	**4.1**	0.3
Increase in fair value	**525.4**	541.4
At December 31,	**13,618.2**	12,966.5

Details of subsidiaries are set out in note 33.

9. INVESTMENT IN ASSOCIATES

	2016	2015
(a) THE GROUP	**MUR'M**	MUR'M
(i) Group's share of net assets	**2,639.6**	2,736.2
Goodwill	**372.8**	207.9
At December 31,	**3,012.4**	2,944.1

Details of associates are set out in note 34.

(ii) At January 1,	**2,944.1**	2,252.8
Transfer from investment in financial assets	**-**	80.3
Transfer from non-current receivables	**102.9**	-
Additions	**97.6**	212.2
Disposal	**-**	(1.4)
Share of profit after tax and minority interest	**110.6**	287.0
Impairment of associate	**(58.2)**	-
Dividend paid	**(135.2)**	(144.1)
Reversal of impairment of associate	**-**	166.1
Movement on reserves	**(49.4)**	91.2
At December 31,	**3,012.4**	2,944.1

9. INVESTMENT IN ASSOCIATES (CONT'D)

(b) THE COMPANY	**2016**	2015
	MUR'M	MUR'M
At January 1,	**1,426.6**	973.0
Reclassified from investment in financial assets (note 10)	**-**	80.3
Additions	**96.5**	212.2
Reclassified to investment in subsidiaries (note 8)	**(122.2)**	-
Disposals	**-**	(12.2)
Impairment of associate	**(244.2)**	-
(Decrease)/increase in fair value	**(136.3)**	173.3
At December 31,	**1,020.4**	1,426.6

10. INVESTMENT IN FINANCIAL ASSETS

	Available-for-sale			
	Listed			
	Official			
THE GROUP	**Market**	**DEM**	**Unquoted**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
(a) At January 1, 2016	**229.4**	**22.2**	**157.8**	**409.4**
Additions	**-**	**-**	**56.8**	**56.8**
Decrease in fair value	**(64.1)**	**-**	**-**	**(64.1)**
At December 31, 2016	**165.3**	**22.2**	**214.6**	**402.1**

	Available-for-sale			
	Listed			
	Official			
	Market	DEM	Unquoted	Total
	MUR'M	MUR'M	MUR'M	MUR'M
(b) 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

(c) Available-for-sale financial assets	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2016	**187.5**	**87.9**	**126.7**	**402.1**
At December 31, 2015	251.6	87.9	69.9	409.4

10. INVESTMENT IN FINANCIAL ASSETS (CONT'D)

THE COMPANY	Available-for-sale Listed Official Market MUR'M	Available-for-sale Listed DEM MUR'M	Available-for-sale Unquoted MUR'M	Total MUR'M
(d) At January 1, 2016	**248.2**	**22.2**	**157.4**	**427.8**
Additions	**-**	**-**	**0.9**	**0.9**
Decrease in fair value	**(69.3)**	**-**	**-**	**(69.3)**
At December 31, 2016	**178.9**	**22.2**	**158.3**	**359.4**

	Available-for-sale Listed Official Market MUR'M	Available-for-sale Listed DEM MUR'M	Available-for-sale Unquoted MUR'M	Total MUR'M
(e) 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

(f) Available-for-sale financial assets	Level 1 MUR'M	Level 2 MUR'M	Level 3 MUR'M	Total MUR'M
At December 31, 2016	**201.1**	**87.9**	**70.4**	**359.4**
At December 31, 2015	270.4	87.9	69.5	427.8

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

11. NON-CURRENT RECEIVABLES

	THE GROUP 2016 MUR'M	THE GROUP 2015 MUR'M	THE COMPANY 2016 MUR'M	THE COMPANY 2015 MUR'M
Deposit on investment	**-**	102.0	**-**	-
Others loans	**27.3**	25.6	**15.3**	11.4
	27.3	127.6	**15.3**	11.4

12. BEARER BIOLOGICAL ASSETS

	THE GROUP 2016 MUR'M	THE GROUP 2015 MUR'M
COST		
At January 1 & December 31,	**7.4**	7.4

There is no active market for bearer biological assets and cost is considered as fair value.

13. LAND DEVELOPMENT EXPENDITURE

	THE GROUP 2016 MUR'M	THE GROUP 2015 MUR'M
At January 1,	**77.9**	68.7
Reclassified to non current assets classified as held for sale (note 19)	**-**	(2.4)
Reclassified to liabilities directly associated with non current assets classified as held for sale	**-**	0.4
Reclassified to property, plant and equipment (note 5)	**(78.0)**	-
Additions	**8.7**	11.2
At December 31,	**8.6**	77.9

14. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2015: 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	
	2016	2015
	MUR'M	MUR'M
Deferred tax assets	**(103.6)**	(118.0)
Deferred tax liabilities	**220.6**	272.9
	117.0	154.9

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Unused tax losses available for offset against future taxable profits	**332.8**	306.0

The movement on the deferred income tax account is as follows:

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
At January 1,	**154.9**	178.1
Credited to profit or loss (note 25(b))	**(11.5)**	(5.8)
Credited to equity	**(26.4)**	(17.4)
At December 31,	**117.0**	154.9

14. DEFERRED INCOME TAXES (CONT'D)

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, 2016	Profit or loss	Release to Equity	At December 31, 2016
	MUR'M	MUR'M	MUR'M	MUR'M
Deferred income tax liabilities				
Accelerated tax depreciation	190.0	(0.3)	-	189.7
Asset revaluations	75.2	(1.4)	(21.8)	52.0
Deferred VRS costs	-	-	(2.8)	(2.8)
	265.2	(1.7)	(24.6)	238.9
Deferred income tax assets				
Tax losses carried forward	5.7	(0.2)	-	5.5
Provisions for VRS costs	17.1	10.3	-	27.4
Retirement benefit obligations	87.5	(0.3)	1.8	89.0
	110.3	9.8	1.8	121.9
Net deferred income tax liabilities	154.9	(11.5)	(26.4)	117.0

15. INVENTORIES

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
(a) Raw materials	**222.9**	137.0
Finished goods	**354.0**	330.5
Spare parts and consumables	**268.3**	280.6
	845.2	748.1

(b) Bank borrowings are secured by fixed and floating charges on the assets of the borrowing entities including inventories (see note 22(f)).

(c) The cost of inventories recognised as expense and included in cost of sales are as follows:

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Cost of inventories consumed	**2,279.8**	2,072.8

16. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
At January 1,	**204.1**	153.6
Gains from changes in fair value	**10.0**	50.5
At December 31,	**214.1**	204.1

The fair value measurements for standing canes have been categorised as Level 3 fair values based on the inputs.

At December 31, 2016, standing canes comprised of approximately 4,917 hectares of cane plantations (2015: 4,985 hectares).

During the year the Group harvested approximately 388,267 tonnes of canes (2015: 391,116 tonnes), which had a fair value less costs to sell of MUR'M 204.1 (2015: MUR'M 153.6) at the date of harvest.

17. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade receivables	**833.2**	838.8	**-**	-
Less: provision for impairment	**(10.6)**	(13.1)	**-**	-
Trade receivables - net	**822.6**	825.7	**-**	-
Sugar proceeds receivable	**203.7**	137.7	**-**	-
Molasses proceeds receivable	**17.6**	19.3	**-**	-
Bagasse proceeds receivable	**4.3**	-	**-**	-
Other receivables	**319.7**	330.1	**45.5**	41.5
	1,367.9	1,312.8	**45.5**	41.5

The carrying amounts of trade and other receivables approximate their fair value.

As at December 31, 2016, trade receivables of MUR'M 10.6 (2015: MUR'M 13.1) for the Group were impaired and provided for. The ageing of these receivables is as follows:

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Over 6 months	**10.6**	13.1

17. TRADE AND OTHER RECEIVABLES (CONT'D)

As at December 31, 2016, trade receivables of MUR'M 13.9 for the Group (2015: MUR'M 20.7) 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	
	2016	2015
	MUR'M	MUR'M
3 to 6 months	**5.1**	7.8
Over 6 months	**8.8**	12.9
	13.9	20.7

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	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Rupee	**1,196.1**	1,166.6	**45.5**	41.5
US Dollar	**78.1**	6.9	**-**	-
Euro	**83.2**	101.3	**-**	-
Other currencies	**10.5**	38.0	**-**	-
	1,367.9	1,312.8	**45.5**	41.5

Movements on the provision for impairment of trade receivables are as follows:

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
At January 1,	**13.1**	8.2
Provision for impairment	**2.1**	7.1
Receivables written off during the year as uncollectible	**-**	(1.6)
Unused amount reversed	**(4.6)**	(0.6)
At December 31,	**10.6**	13.1

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.

18. DERIVATIVE FINANCIAL INSTRUMENTS

	Contractual/Nominal amount		Fair value assets	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Currency swaps	**268.0**	902.2	**5.1**	3.1

Currency swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies.

19. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
At January 1,	**115.9**	146.3
Expenditure incurred during the year	**14.8**	21.9
Reclassified from land development expenditure (note 13)	**-**	2.4
Release to profit or loss on disposal	**(7.8)**	(54.7)
At December 31,	**122.9**	115.9

Non-current assets held for sale consist of plots of land and their related development costs, available for sale under the "1200 Ap" scheme and VRS financing scheme for residential purpose.

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
(a) Disposal proceeds	**95.2**	92.4
(b) Liabilities directly associated with non-current assets held-for-sale		
Accruals and provisions	**2.3**	1.9

20. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2015 and 2016	
	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 (2015: 227,545,624 shares). All issued shares are fully paid.

21. 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, 2016	11.1	4,402.2	(233.9)	5.2	(311.6)	3,873.0
Change in revaluation of land and buildings (note 5(d))	-	(3,506.4)	-	-	-	(3,506.4)
Deferred tax on revaluation of buildings	-	20.6	-	-	-	20.6
Remeasurements of post employment benefit obligations	-	-	(3.8)	-	-	(3.8)
Deferred tax on remeasurements of post employment benefit obligations	-	-	0.6	-	-	0.6
Decrease in fair value of available-for-sale financial assets	-	-	-	-	(64.1)	(64.1)
Release of deferred tax on excess depreciation over historical cost depreciation	-	1.0	-	-	-	1.0
Translation reserve movement	-	-	-	8.9	-	8.9
Share of other comprehensive income of associates	(49.4)	-	-	-	-	(49.4)
Movements on reserves	-	15.7	-	-	-	15.7
Consolidation adjustment	-	2.7	-	-	-	2.7
At December 31, 2016	**(38.3)**	**935.8**	**(237.1)**	**14.1**	**(375.7)**	**298.8**
(ii) 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**

21. 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.

22. BORROWINGS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Non-current				
Bank loans	**345.0**	398.8	**-**	-
Finance lease liabilities	**16.4**	25.2	**-**	-
Total non-current	**361.4**	424.0	**-**	-
Current				
Bank overdrafts	**201.0**	251.0	**9.6**	3.6
Bank loans	**1,788.4**	1,293.6	**-**	-
Loans from subsidiaries	**-**	-	**381.0**	327.4
Finance lease liabilities	**8.2**	9.0	**-**	-
	1,796.6	1,302.6	**381.0**	327.4
Total current	**1,997.6**	1,553.6	**390.6**	331.0
Total borrowings	**2,359.0**	1,977.6	**390.6**	331.0

22. BORROWINGS (CONT'D)

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
(a) Breakdown of loans				
Loan in EUR	**-**	434.5	**-**	-
Bank loan	**561.1**	689.1	**-**	-
Other short term loans	**1,572.3**	568.8	**381.0**	327.4
	2,133.4	1,692.4	**381.0**	327.4
Less: Repayable within one year	**(1,788.4)**	(1,293.6)	**(381.0)**	(327.4)
Repayable after one year	**345.0**	398.8	**-**	-

(b) The maturity of non-current loans is as follows:

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
- after one year and before two years	**93.0**	61.9
- after two years and before three years	**60.5**	61.9
- after three years and before five years	**191.5**	275.0
	345.0	398.8

(c) Finance lease liabilities - minimum lease payments

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Not later than one year	**10.0**	9.6
After one year and before two years	**10.0**	11.8
After two years and before three years	**5.9**	12.1
After three years and before five years	**-**	2.6
	25.9	36.1
Future finance charges	**(1.3)**	(1.9)
Present value of finance lease liabilities	**24.6**	34.2

22. 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	
	2016	2015
	MUR'M	MUR'M
Current		
Not later than one year	**8.2**	9.0
Non Current		
After one year and before two years	**9.3**	8.6
After two years and before three years	**7.1**	11.3
After three years and before five years	**-**	5.3
	16.4	25.2

The rate of interest on the finance leases varies between 2.75% - 9 % (2015: 2.75% - 9%) 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	
	2016	2015
	MUR'M	MUR'M
- After one year and before two years		
Bank borrowings	**93.0**	61.9
Finance lease liabilities	**9.3**	8.6
	102.3	70.5
- After two years and before three years		
Bank borrowings	**60.5**	61.9
Finance lease liabilities	**7.1**	11.3
	67.6	73.2
- After three years and before five years		
Bank borrowings	**191.5**	275.0
Finance lease liabilities	**-**	5.3
	191.5	280.3
Total	**361.4**	424.0

(e) The rates of interest on MUR loans and other short term loans vary from 6.25% to 8% (2015: 2.75% to 6.65%) annually and on foreign currency loans - EUR from 4.20% to Libor 1 month + 4.25% (2015: 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

23. RETIREMENT BENEFIT OBLIGATIONS 201-3

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Amount recognised in the statement of financial position:		
- Defined pension benefits	**593.4**	583.4
- Other post retirement benefits	**3.9**	1.4
	597.3	584.8
Amount charged to profit or loss:		
- Defined pension benefits	**63.2**	52.6
- Other post retirement benefits	**0.6**	0.2
	63.8	52.8
Amount charged to other comprehensive income:		
- Defined pension benefits	**12.4**	99.6
- Other post retirement benefits	**0.2**	-
	12.6	99.6

(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, 2016 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.

23. 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	
	2016	2015
	MUR'M	MUR'M
Present value of funded obligations	**1,062.1**	1,051.2
Fair value of plan assets	**(617.0)**	(597.2)
	445.1	454.0
Present value of unfunded obligations	**148.3**	129.4
Other post retirement benefits	**3.9**	1.4
Liability in the statement of financial position	**597.3**	584.8

The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
At January 1,	**584.8**	490.1
Charged to profit or loss	**63.8**	52.8
Charged to other comprehensive income	**12.6**	99.6
Employer's contributions	**(12.9)**	-
Contribution paid	**(51.0)**	(57.7)
At December 31,	**597.3**	584.8

(iii) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
At January 1,	**1,180.6**	1,046.0
Current service cost	**20.5**	17.8
Interest cost	**82.0**	73.2
Employee's contribution	**2.3**	2.5
Actuarial (gains)/losses	**(11.5)**	86.1
Benefits paid	**(63.5)**	(45.0)
At December 31,	**1,210.4**	1,180.6

23. 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	
	2016	2015
	MUR'M	MUR'M
At January 1,	**597.2**	557.3
Interest income	**41.8**	38.9
Actuarial losses	**(23.6)**	(13.6)
Employers' contributions	**65.9**	59.9
Employee contributions	**2.3**	2.5
Scheme expenses	**(0.7)**	(0.6)
Benefits paid	**(63.5)**	(45.0)
Cost of insuring risk benefits	**(2.4)**	(2.2)
At December 31,	**617.0**	597.2

(v) The amounts recognised in profit or loss are as follows:

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Current service cost	**20.5**	17.8
Scheme expense	**0.7**	0.6
Cost of insuring risk benefits	**2.4**	2.2
Interest expense	**40.2**	34.6
Contributions by employer	**-**	(2.4)
Total included in employee benefit expense	**63.8**	52.8

(vi) The amounts recognised in other comprehensive income are as follows:

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Remeasurement on the net defined benefit liability:		
Gains on pension scheme assets	**(23.6)**	(13.6)
Experience gains/(losses) on the liabilities	**37.0**	(48.9)
Changes in assumption underlying the present value of the scheme	**(26.0)**	(37.1)
Actuarial losses recognised in OCI	**(12.6)**	(99.6)

23. 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	
	2016	2015
	MUR'M	MUR'M
Local equities	**115.8**	123.7
Overseas equities	**122.7**	99.7
Fixed interest and properties	**231.2**	294.0
Qualifying insurance policies	**147.3**	79.8
Total market value of assets	**617.0**	597.2

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	
	2016	2015
	MUR'M	MUR'M
Discount rate	**6.0%**	7.0%
Future salary growth rate	**3.5% - 5.5%**	3.5% - 5.5%
Future pension growth rate	**1.0%**	2.0%

Sensitivity analysis on defined benefit obligations at end of the reporting date:

	Increase	Decrease
December 31, 2016	**MUR'M**	MUR'M
(ix) Discount rate (1% movement)	**49.8**	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 the 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

23. 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 48.2 to the pension scheme for the year ending December 31, 2016.

(xiii) The actual return of the total assets for the year 2016 is MUR'M 18.4 (2015: MUR'M 25.1).

(xiv) The weighted average duration of the defined benefit obligation is 8 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	
	2016	2015
	MUR'M	MUR'M
At January 1,	**1.4**	1.4
Total expense charged to profit or loss	**0.6**	0.2
Paid during the year	**-**	(0.2)
Consolidation adjustment	**1.9**	-
At December 31,	**3.9**	1.4

It has been assumed that the rate of future salary increases will be equal to the discount rate.

24. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade creditors	**382.6**	365.6	**-**	1.2
Provision for compensation payments for centralisation in accordance with the Blue Print provisions	**64.3**	110.4	**-**	-
Provision for VRS costs	**1.0**	1.0	**-**	-
Amounts due to subsidiaries	**-**	-	**7.7**	20.7
Other payables and accruals	**380.6**	315.8	**4.7**	3.2
	828.5	792.8	**12.4**	25.1

25. TAXATION

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
(a) Liability in the statements of financial position				
At January 1,	**28.8**	17.6	**0.3**	0.1
Under/(over) provision in previous year	**5.5**	0.5	**(0.3)**	-
Tax adjustments relating to prior years	**(0.6)**	-	**-**	-
Consolidation adjustment	**0.2**	-	**-**	-
Tax recovered	**-**	2.2	**-**	-
Tax paid on account	**(47.5)**	(19.5)	**-**	(0.1)
	(13.6)	0.8	**-**	-
Underprovision in previous year	-	-	-	-
Current tax on the adjusted profits for the year @ 3% -30% (2015 : 15%-22%)	**71.8**	63.0	**0.2**	0.3
Tax paid	**(28.3)**	(35.0)	**-**	-
At December 31,	**29.9**	28.8	**0.2**	0.3
(b) Charge in profit or loss				
Current tax on the adjusted profits for the year at 3% - 30% (2015 : 15% - 22%)	**71.8**	63.0	**0.2**	0.3
Under/(over) provision in previous years	**5.5**	0.5	**(0.3)**	-
Tax adjustments relating to prior years	**(0.6)**	-	**-**	-
Deferred taxation (note 14)	**(11.5)**	(5.8)	**-**	-
Charge/(credit) for the year	**65.2**	57.7	**(0.1)**	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	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit before taxation and after associates' results	**433.4**	784.1	**16.4**	269.2
Tax calculated at a rate of 3% - 30% (2015: 15% - 22%)	**125.1**	117.6	**2.5**	40.4
Income not subject to tax	**(81.6)**	(88.5)	**(44.0)**	(45.3)
Expenses not deductible for tax purposes	**27.4**	23.0	**33.0**	5.2
Tax losses for which no deferred tax asset was recognised	**-**	5.1	**-**	-
Foreign tax credit	**(10.6)**	-	**-**	-
Over provision in previous years	**5.5**	0.5	**(0.3)**	-
Tax adjustments relating to prior years	**(0.6)**	-	**-**	-
	65.2	57.7	**(8.8)**	0.3

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

26. OTHER INCOME/(COSTS)

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Interest income	**12.3**	6.4	**1.4**	-
Dividend income	**6.3**	6.8	**-**	-
Investment income	**18.6**	13.2	**1.4**	-
Profit on disposal of property, plant and equipment/ non-current assets held for sale	**65.0**	71.7	**-**	-
Profit/(loss) on disposal of investments	**-**	7.9	**-**	(2.9)
Others	**55.2**	96.8	**1.0**	-
	138.8	189.6	**2.4**	(2.9)

27. PROFIT BEFORE FINANCE COSTS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
The profit before finance costs is arrived at after:				
Crediting:				
Rental of land and buildings	**80.6**	72.4	**-**	-
Profit on sale of property, plant and equipment/ non-current assets held for sale	**65.0**	71.7	**-**	-
Profit/(loss) on sale of investments	**-**	7.9	**-**	(2.9)
and charging:				
Depreciation on property, plant and equipment				
- owned assets	**340.6**	327.8	**-**	-
- leased assets	**7.5**	7.7	**-**	-
Depreciation on investment properties	**6.4**	6.4	**-**	-
Amortisation of intangible assets	**8.7**	5.7	**-**	-
Amortisation of VRS costs	**-**	23.1	**-**	-
Employee benefit expense (note 27(a))	**982.2**	843.7	**-**	-

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
(a) Employee benefit expense		
Wages, salaries and other costs	**925.6**	790.1
Pension costs	**56.6**	53.6
	982.2	843.7

28. EXPENSE BY NATURE

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Depreciation and amortisation	**363.2**	370.7	**-**	-
Raw materials and consumables used	**2,279.8**	2,072.8	**-**	-
Employee benefit expense	**982.2**	843.7	**-**	-
Cultivation and irrigation expenses	**155.1**	116.2	**-**	-
Others	**769.2**	815.8	**18.8**	17.8
Total cost of sales, administrative expenses, distribution costs and other expenses	**4,549.5**	4,219.2	**18.8**	17.8

29. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Fair value gains on derivatives	**-**	(3.1)	**-**	-
Net foreign exchange (gain)/loss	**(13.7)**	(12.9)	**-**	0.1
	(13.7)	(16.0)	**-**	0.1
Interest expense:				
- Bank overdrafts	**8.0**	5.9	**-**	-
- Loans repayable by instalments	**16.2**	27.1	**-**	-
- Other loans not repayable by instalments	**68.3**	55.5	**16.7**	11.8
	92.5	88.5	**16.7**	11.8
	78.8	72.5	**16.7**	11.9

30. EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		MUR'M	MUR'M	**MUR'M**	MUR'M
Profit attributable to equityholders		**219.3**	597.1	**16.5**	268.9
Number of ordinary shares in issue		**227.5**	227.5	**227.5**	227.5
Basic earnings per share	MUR	**0.96**	2.62	**0.07**	1.18

31. DIVIDENDS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**-**	-	**-**	-
Final ordinary declared - 85 cents per share (2015: 85 cents)	**193.4**	193.4	**193.4**	193.4
Dividends paid during the year	**(193.4)**	(193.4)	**(193.4)**	(193.4)
At December 31,	**-**	-	**-**	-

32. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Cash in hand and at bank	**337.3**	133.0	**9.5**	4.6
Bank overdrafts	**(201.0)**	(251.0)	**(9.6)**	(3.6)
	136.3	(118.0)	**(0.1)**	1.0

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED DECEMBER 31, 2016

33. SUBSIDIARIES

The financial statements of the following subsidiaries have been included in the consolidated financial statements.

	Type of shares held	Stated capital	2016 % holding	2016 % held by other group companies	2016 % held by non-controlling interests	2015 % holding	2015 % held by other group companies	2015 % 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 Uganda	Ordinary	72,520,000	**-**	**95.00**	**5.00**	-	-	-	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
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 Evapo	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	122,178,926	**100.00**	**-**	**-**	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	8,500,000	**86.00**	**-**	**14.00**	86.00	-	14.00	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	1,647,700	**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) Grays Uganda, whose country of operation is Uganda.

33. 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
2016		
Terragen Ltd	**96.0**	**752.3**
Terra Milling Ltd	**10.9**	**90.3**
Grays Inc. Ltd	**22.5**	**97.6**
2015		
Terragen Ltd	97.7	744.6
Terra Milling Ltd	(0.3)	75.6
Grays Inc. Ltd	20.2	94.3

33. 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
2016									
Terragen Ltd	**556.9**	**1,440.7**	**260.9**	**201.4**	**1,141.0**	**195.9**	**(5.1)**	**190.8**	**(85.8)**
Terra Milling Ltd	**284.1**	**905.1**	**311.8**	**426.1**	**601.4**	**54.6**	**17.7**	**72.3**	**-**
Grays Inc. Ltd	**983.4**	**145.7**	**640.8**	**112.8**	**1,858.2**	**86.5**	**(23.8)**	**62.7**	**(13.0)**
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)

(ii) Summarised cash flow information:

Name	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
	MUR'M	MUR'M	MUR'M	MUR'M
2016				
Terragen Ltd	**326.8**	**(74.8)**	**(175.0)**	**77.0**
Terra Milling Ltd	**207.3**	**(45.5)**	**(159.8)**	**2.0**
Grays Inc. Ltd	**(11.9)**	**(33.3)**	**30.0**	**(15.2)**
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)

The summarised financial information above is the amount before intra-group eliminations.

34. ASSOCIATES

(a) Summarised financial information in respect of each of the material associates is set out below.

2016	Assets	Liabilities	Revenues	Profit/(loss)	2016 % holding	Financial period ended
	MUR'M	MUR'M	MUR'M	MUR'M		
Alcohol & Molasses Export Ltd	**157.6**	**98.1**	**282.9**	**50.0**	**41.87**	June 30,
Anytime Investment Ltd	**56.5**	**-**	**-**	**-**	**24.50**	June 30,
Coal Terminal (Management) Co Ltd	**27.8**	**24.5**	**66.8**	**0.7**	**15.43**	December 31,
Providence Warehouse Co Ltd	**115.5**	**60.6**	**258.0**	**16.1**	**18.50**	December 31,
Horus Ltée	**108.6**	**1.9**	**-**	**-**	**50.00**	June 30,
Swan General Ltd (previously known as Swan Insurance Company Ltd)	**4,173.7**	**2,130.3**	**1,256.5**	**221.5**	**34.03**	December 31,
Les Domaines de Mauricia Limitée	**5.7**	**4.3**	**-**	**-**	**50.00**	December 31,
New Fabulous Investment Ltd	**56.5**	**-**	**-**	**-**	**24.50**	June 30,
New Goodwill Co Ltd	**285.8**	**106.6**	**1,795.9**	**96.7**	**33.33**	June 30,
Rehm Grinaker Construction Co Ltd	**963.1**	**917.7**	**1,382.4**	**(161.1)**	**35.49**	June 30,
Rehm Grinaker Properties Co Ltd	**169.5**	**106.3**	**14.4**	**2.9**	**35.49**	June 30,
Topterra Ltd	**112.3**	**81.0**	**28.9**	**(1.1)**	**50.00**	June 30,
Commada Ltd	**306.9**	**136.2**	**-**	**5.9**	**50.00**	December 31,
Distillerie de Bois Rouge Ltd	**4.2**	**9.5**	**-**	**-**	**33.33**	July 31,
Sucrivoire S.A	**4,586.2**	**1,759.0**	**3,037.8**	**245.5**	**25.50**	December 31,
United Investment Limited	**3,365.2**	**1,451.2**	**40.3**	**(105.7)**	**29.03**	June 30,
Terravest Limited	**344.0**	**231.2**	**427.5**	**11.0**	**27.70**	December 31,
Thermal Valorisation Co Ltd	**811.6**	**514.7**	**-**	**2.5**	**34.99**	December 31,
Belle Vue Rum Ltd	**7.0**	**2.4**	**3.4**	**(0.3)**	**50.00**	December 31,
Inside Equity Fund	**80.3**	**5.6**	**-**	**(1.7)**	**47.85**	December 31,
Inside Capital Partners Ltd	**7.8**	**1.7**	**-**	**(20.1)**	**33.33**	December 31,
Payment Express Ltd	**75.7**	**68.5**	**68.8**	**(3.9)**	**26.00**	June 30,

(b) For associates with year ended June 30, and July 31, the management accounts at December 31, 2016 have been used to calculate the share of profit and net assets.

The Group accounts for its investments in Coal Terminal (Management) Co Ltd and Providence Warehouse Co Ltd as associates 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.

34. ASSOCIATES (CONT'D)

(c) 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,

For associates with year ended June 30, and July 31, the management accounts at December 31, 2016 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.

35. CAPITAL COMMITMENTS

	THE GROUP	
	2016	2015
	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	**52.3**	51.6

36. ULTIMATE HOLDING ENTITY

The Board of Directors considers Société de Nemours, constituted in Mauritius, as the ultimate holding entity of Terra Mauricia Ltd.

37. 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**
2016	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Associates	**-**	**4.5**	**0.7**	**18.7**	**14.4**	**7.1**
Key management personnel	**136.6**	**-**	**-**	**-**	**-**	**-**
Enterprises with common directors	**-**	**87.6**	**5.9**	**-**	**-**	**-**

	Remuneration	Purchases of services	Sales of services and others	Management fees receivable	Throughput and storage fees payable	Amount receivable
2015	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

(ii) THE COMPANY	**Remuneration**	**Amount receivable**	**Amount payable**
2016	**MUR'M**	**MUR'M**	**MUR'M**
Associates	**-**	**37.9**	**-**
Key management personnel	**2.4**	**-**	**-**
Subsidiaries	**-**	**0.3**	**385.8**

	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

37. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
(iii) Key management personnel	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Salaries and short term employee benefits	**128.1**	96.9	**-**	-
Other benefits	**5.5**	5.5	**-**	-
	133.6	102.4	**-**	-

(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, 2016, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2015 : 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.

38. 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 20 November 2014, arguments were heard on the points of law and the judge has delivered his ruling on 11 December 2015, allowing the appeal to procede. The appeal was heard on 22 February 2017 and the Court has reserved its ruling.

(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 2016 amounting to MUR 40.6M. 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 445,000 following sales of lands. These assessments are being contested by Terragri Ltd (Formerly Harel Frères Ltd). The cases are still ongoing.

38. 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 case was called on 05 October 2016 and the claim was withdrawn with costs by the plaintiff.

(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 25 May 2015 has been postponed to 11 July 2016 and then to 19 June 2017.

(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.

Following the termination of a transport contract by a subsidiary, a supplier has claimed MUR 6M to the former for breach of contract. The case is still ongoing.

(b) Bank guarantees

In the ordinary course of business, the Group had contingent liabilities in respect of bank guarantees amounting to MUR'M 323.3 (2015: Nil) as at December 31, 2016.

39. SEGMENT INFORMATION

(a) Year ended December 31, 2016

	Sugar	**Energy**	**Brands**	**Others**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Total segment revenues	**1,417.3**	**1,141.0**	**2,071.6**	**381.8**	**5,011.7**
Intersegment sales	**(63.8)**	**(13.4)**	**-**	**(74.0)**	**(151.2)**
Revenues from external customers	**1,353.5**	**1,127.6**	**2,071.6**	**307.8**	**4,860.5**
Segment profit	**45.2**	**264.9**	**112.3**	**37.4**	**459.8**
Finance costs	**(65.1)**	**(2.9)**	**(9.8)**	**(1.0)**	**(78.8)**
(Loss)/Profit after finance costs	**(19.9)**	**262.0**	**102.5**	**36.4**	**381.0**
Share of results of associates	**62.6**	**-**	**37.9**	**(48.1)**	**52.4**
Profit before taxation	**42.7**	**262.0**	**140.4**	**(11.7)**	**433.4**
Taxation	**3.5**	**(42.2)**	**(15.0)**	**(11.5)**	**(65.2)**
Profit after taxation	**46.2**	**219.8**	**125.4**	**(23.2)**	**368.2**
Non-controlling interests					**(148.9)**
Profit attributable to equity holders of the company					**219.3**

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
Finance (costs)/income	(59.7)	(6.6)	1.7	(7.9)	(72.5)
(Loss)/Profit after finance costs	(68.6)	234.2	116.6	48.8	331.0
Share of results of associates	88.0	-	32.4	166.6	287.0
Reversal of impairment of associate	166.1	-	-	-	166.1
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

39. SEGMENT INFORMATION (CONT'D)

(b) Year ended December 31, 2016

	Sugar	**Energy**	**Brands**	**Others**	**Group**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Interest revenue	**1.5**	**0.5**	**9.3**	**1.0**	**12.3**
Interest expense	**(27.6)**	**(2.9)**	**(5.2)**	**(56.8)**	**(92.5)**
Cost of sales	**(1,072.6)**	**(790.8)**	**(1,525.2)**	**(146.6)**	**(3,535.2)**
Segment assets	**11,083.8**	**1,871.0**	**1,311.4**	**427.5**	**14,693.7**
Associates	**720.9**	**-**	**87.8**	**2,203.7**	**3,012.4**
Other assets	**260.7**	**21.6**	**-**	**360.0**	**642.3**
Segment liabilities	**791.1**	**203.8**	**361.1**	**70.1**	**1,426.1**
Borrowings	**1,440.2**	**33.0**	**482.9**	**402.9**	**2,359.0**
Other liabilities	**43.9**	**188.5**	**8.1**	**12.3**	**252.8**
Capital expenditure	**251.5**	**74.1**	**68.3**	**49.1**	**443.0**
Depreciation and amortisation	**(230.6)**	**(71.6)**	**(42.7)**	**(18.3)**	**(363.2)**

Year ended December 31, 2015	Sugar	Energy	Brands	Others	Group
	MUR'M	MUR'M	MUR'M	MUR'M	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	2,128.8	2,944.1
Other assets	167.9	12.1	-	554.3	734.3
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)

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.

39. 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	
	2016	2015	**2016**	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Mauritius	**4,841.8**	4,261.7	**17,639.6**	20,751.1	**443.0**	344.0
Côte d'Ivoire	**18.7**	21.0	**767.0**	737.9	**-**	-
	4,860.5	4,282.7	**18,406.6**	21,489.0	**443.0**	344.0

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	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Analysis of sales				
Sale of sugar, molasses and bagasse	**1,173.1**	1,069.2	**-**	-
Sale of electricity	**1,127.6**	1,118.4	**-**	-
Sale of goods	**2,470.3**	1,857.1	**-**	-
Revenue from services	**89.5**	238.0	**-**	-
Dividend income	**-**	-	**293.7**	301.8
	4,860.5	4,282.7	**293.7**	301.8

For revenue recognition see note 2.26.

40. COMPENSATION FROM THE SUGAR INSURANCE FUND BOARD (SIFB)

	THE GROUP	
	2016	2015
	MUR'M	MUR'M
Compensation from the SIFB	**-**	99.9

THREE YEAR SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES
THE GROUP

	THE GROUP		
	2016	2015	2014
STATEMENT OF PROFIT OR LOSS	**MUR'M**	MUR'M	MUR'M
Turnover	**4,860.5**	4,282.7	3,905.4
Profit before taxation, exceptional items and associates' results	**381.0**	331.0	3.4
Reversal of impairment of associate	**-**	166.1	166.3
Share of results of associates	**52.4**	287.0	296.5
Taxation	**(65.2)**	(57.7)	(34.0)
Profit after taxation	**368.2**	726.4	432.2
Profit attributable to:			
Owners of the parent	**219.3**	597.1	317.3
Non Controlling interests	**148.9**	129.3	114.9
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit after taxation	**368.2**	726.4	432.2
Other comprehensive income for the year net of tax	**(3,599.0)**	(50.5)	18.5
Total comprehensive income	**(3,230.8)**	675.9	450.7
Total comprehensive income attributable to:			
Owners of the parent	**(3,374.3)**	556.3	330.8
Non controlling interests	**143.5**	119.6	119.9
	(3,230.8)	675.9	450.7
Percentage of profit on shareholders' interest (%)	**1.6**	3.5	1.9
Earnings per share (MUR)	**0.96**	2.62	1.39
Dividends proposed and paid	**193.4**	193.4	182.0
Dividend per share (MUR)	**0.9**	0.9	0.8
Dividend cover (times)	**1.1**	3.1	1.7
Net assets per share (MUR)	**58.5**	74.1	72.5
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	**15,455.9**	18,972.0	18,223.7
Current assets	**2,769.6**	2,401.1	2,095.4
Non-current assets classified as held-for-sale	**122.9**	115.9	146.3
Total assets	**18,348.4**	21,489.0	20,465.4
Owners' interest	**13,306.8**	16,855.1	16,501.9
Non Controlling interests	**1,003.7**	975.1	957.5
Non-current liabilities	**1,179.3**	1,281.7	1,117.8
Current liabilities	**2,856.3**	2,375.2	1,881.8
Liabilities directly associated with non-current assets held for sale	**2.3**	1.9	6.4
Total equity and liabilities	**18,348.4**	21,489.0	20,465.4

Directors of Subsidiary Companies
(pursuant to Section 221 of the Companies Act 2001)

Directors \ Subsidiary Companies	AceTer Global Ltd	AG Holdings Ltd	Beau Plan Campus Ltd	Belle Vue Rum Ltd	East Indies Company	Grays Distilling Ltd	Grays Inc. Ltd	Grays Uganda Ltd	Intendance Holding Ltd	International Brands 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																					✓	✗			
François Boullé																									✓
Jocelyn de Chasteauneuf				✓			✓	✓		✓															
Louis Decrop																					✓	✓			
Bernard Desvaux de Marigny													✓												
Jean Claude Desvaux de Marigny																			✓						
Jean Philippe Desvaux de Marigny			✓											✓											
Maurice de Marassé Enouf						✓	✓								✓				✓				✓		
Nicolas Eynaud			✓											✓											
Dominique Huet de Froberville													✓										✓		
Rémi Brousse de Gersigny																									✓
Edwige Gufflet														✓											
Alexis Harel				✓	✓	✓	✓	✓	✗	✓		✓			✓		✓		✓				✓	✓	
Didier Harel																							✓		
Henri Harel	✓	✓				✓	✓		✓		✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		
Hubert Harel																							✓		
Jérôme Jaen																					✓				
Jean Marc Jauffret																									✓
Nessa Joomun																			✗						
Manish Kalla								✓																	
Louis Denis Koenig	✓	✓				✓			✗				✓	✓		✓				✓					
Regis Koon Kam King						✗																			
Reynolds Laguette																			✗						
Pascal Langeron																					✓	✓			
Edouard Lee						✓																			
Jacques Li Wan Po						✓																			
Nicolas Maigrot						✓	✓		✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Sébastien Mamet	✗	✗							✓		✓							✗	✓	✓	✓	✓			
Noufail Manjoo	✓	✓																							
François Montocchio																							✗		
Daniel Nairac																✗	✗						✗		
Yousouf Oodally														✓											
Nardus Oosthuizen							✓																		
Yoowaraj Parsan																			✓						
Feroze Peerboccus																					✓	✓			
Jean Arthur Pilot Lagesse											✗			✗					✗		✗	✗			✗
Christophe Quevauvilliers																									✓
Kessordath Ramsurrun																			✓						
Khemlall Ramyad																			✗						
Alain Rey																✓	✓						✓		
Bernard Robert																					✓	✓			
Vincent Rogers																									✓
Julien Rousset																		✓							
George Schooling							✓																		
Omduthsing Sookaye														✗							✗				
Prem Teeluckdharry																			✓						
Nikhil Treebhoohun																							✓		
Stéphane Ulcoq																									✓
Alain Vallet						✓	✓		✗			✓	✓	✓	✓		✓		✓		✓		✓	✓	✓
Lawrence Van Tang Yan						✓																			
Margaret Wong Ping Lun																							✓		
Alternate Director																									
Didier Vallet																									✓

✓ In office at 31 December 2016 ✗ Ceased to hold office during the year ended 31 December 2016

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
ARISE	*Accompagnement, Réhabilitation et Insertion Sociale des Enfants*
BOM	Bank Of Mauritius
BPS	*Bon et Perpétuel Secours*
BRC	British Retail Consortium
BRVM	*Bourse Régionale des Valeurs Mobilières*
CEB	Central Electricity Board
CFA	*Communauté Financière d'Afrique*
CMS	Concentrated Molasses Stillage
CO_2	Carbon Dioxide
CSR	Corporate Social Responsibility
CWA	Central Water Authority
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
GDP	Gross Domestic Product
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 Immunodeficiency Virus
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IPCC	Intergovernmental Panel on Climate Change
IPP	Independent Power Producer
ISAs	International Standards on Auditing
ISO	International Organisation for Standardisation

List of Acronyms (cont'd)

KWh	Kilo Watt per hour
KPI	Key Performance Indicator
LMC	LMC International Ltd
LEAD	Leadership and Empowerment for Action and Development
MCIA	Mauritius Cane Industry Authority
MIOD	Mauritius Institute of Directors
MSPA	Mauritius Sugar Producers Association
MSS	Mauritius Sugar Syndicate
MUR	Mauritian Rupee
MW	Mega Watt
NGO	Non-Governmental Organisation
NO_x	Nitrous Oxide
NPCC	National Productivity and Competitiveness Council
OCI	Other Comprehensive Income
OHSAS	Occupational Health and Safety Management System
OSH	Occupational Safety and Health
PM	Particle Matter
PPE	Property, Plant & Equipment
PV	Present Value
QSE	Quality, Security and Environment
RICS	Royal Institute of Chartered Surveyors
SAFIRE	*Service d'Accompagnement, de Formation, d'Intégration et de Réhabilitation de l'Enfant*
SEDEX	Supplier Ethical Data Exchange
SEM	Stock Exchange of Mauritius
SIFB	Sugar Insurance Fund Board
SIFCA	*Société Immobilière et Financière de la Côte Africaine*
SO_2	Sulphur Dioxide
TIPA	Terrain for Interactive Pedagogy through Arts
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
VRS	Voluntary Retirement Scheme
WEEE	Waste Electrical and Electronic Equipment
WTO	World Trade Organisation
ZEP	*Zone d'Education Prioritaire*

Annexures

Annexure 1 - Information on employees and other workers

Table 1.1: Number of employees (by gender, employment type and contract) 102-8

			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 employees	Total Employees		526	45	469	795	50	14	63	40	12	10	4	44
	Managers	M	9	1	7	15	6	2	2	14	5	2	1	0
		F	5	0	0	1	1	0	6	2	1	1	0	1
	Staff	M	75	7	30	33	21	6	3	13	0	2	3	3
		F	102	1	3	10	3	4	3	9	2	4	0	1
	Operatives	M	266	36	408	718	19	2	28	1	3	0	0	39
		F	69	0	21	18	0	0	21	1	1	1	0	0
Employees by employment contract	Permanent	M	223	36	145	418	46	10	31	27	8	4	2	0
		F	65	0	2	25	3	4	29	12	4	6	0	0
	Fixed term/ temporary	M	43	1	300	348	0	0	2	1	0	0	2	0
		F	4	0	22	4	1	0	1	1	0	0	0	0
Permanent employees by employment type	Full-time	M	298	44	145	418	46	10	31	27	8	4	2	42
		F	167	1	2	24	4	4	29	12	7	6	0	2
	Part-time	M	1	0	0	0	0	0	2	0	0	0	2	0
		F	0	0	0	1	0	0	1	0	1	0	0	0
Percentage of total employees covered by collective bargaining agreements	102-41		9%	27%	100%	98%	0%	0%	0%	0%	0%	0%	0%	61%

M = Male F = Female

Annexure 1 - Information on employees and other workers (cont'd)

Table 1.2: Total number of employee turnover by age group and gender 401-1

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	34	7	0	0	0	1	0	0	0	1	1	0	2	7	0	0	0	0	2	1	0	0	1	0
25 - 34 yrs	14	15	1	0	3	1	1	1	11	2	5	2	15	8	9	3	0	0	0	3	0	0	4	0
35 - 44 yrs	5	3	1	0	1	0	1	0	21	0	2	2	9	9	2	1	0	0	1	1	4	0	0	0
45 - 54 yrs	2	0	0	0	0	0	0	0	10	1	6	1	6	5	2	0	0	0	1	1	0	0	0	0
55+	0	1	1	0	1	0	0	0	4	0	2	0	1	1	1	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 %) 401-1

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	6%	1%	0%	0%	0%	0%	0%	0%	0%	2%	7%	0%	3%	11%	0%	0%	0%	0%	20%	10%	0%	0%	2%	0%
25 - 34 yrs	3%	3%	2%	0%	1%	0%	0%	0%	22%	4%	36%	14%	24%	13%	23%	8%	0%	0%	0%	30%	0%	0%	9%	0%
35 - 44 yrs	1%	1%	2%	0%	0%	0%	0%	0%	42%	0%	14%	14%	14%	14%	5%	3%	0%	0%	10%	10%	100%	0%	0%	0%
45 - 54 yrs	0%	0%	0%	0%	0%	0%	0%	0%	20%	2%	43%	7%	10%	8%	5%	0%	0%	0%	10%	10%	0%	0%	0%	0%
55+	0%	0%	2%	0%	0%	0%	0%	0%	8%	0%	14%	0%	2%	2%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%

M = Male F = Female

Annexure 1 - Information on employees and other workers (cont'd)

Table 1.4: Total number of new employee hires by age group and gender 401-1

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	26	10	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	2	0	0	0	0
25 - 34 yrs	20	5	0	0	2	1	0	0	3	0	0	0	5	2	2	0	0	0	0	1	0	0	0	0
35 - 44 yrs	15	6	1	0	1	0	0	0	0	0	2	0	0	3	0	0	0	0	0	2	0	0	0	0
45 - 54 yrs	5	1	0	0	2	0	4	0	0	0	1	0	3	0	0	0	0	0	0	0	0	0	0	0
55+	3	2	0	0	5	0	5	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0

M = Male F = Female

Table 1.5: Rate of employee turnover by age group and gender (in %) 401-1

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%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	20%	0%	0%	0%	0%
25 - 34 yrs	4%	1%	0%	0%	0%	0%	0%	0%	6%	0%	0%	0%	8%	3%	5%	0%	0%	0%	0%	10%	0%	0%	0%	0%
35 - 44 yrs	3%	1%	2%	0%	0%	0%	0%	0%	0%	0%	14%	0%	0%	5%	0%	0%	0%	0%	0%	20%	0%	0%	0%	0%
45 - 54 yrs	1%	0%	0%	0%	0%	0%	1%	0%	0%	0%	7%	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
55+	1%	0%	0%	0%	1%	0%	1%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%

M = Male F = Female

Annexure 1 - Information on employees and other workers (cont'd)

Table 1.6: Types and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities by gender 403-2

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)		Terrarock Ltd		AceTer Global Ltd		Terra Finance 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	16	10	7	0	27	0	13	4	3	0	0	0	8	4	0	0	0	0	0	0	0	0	0	0
	Fractures	2	2	0	0	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Dislocations, sprains & strains	3	4	0	0	31	4	1	0	1	0	0	0	0	0	0	0	0	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	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Burns	0	0	1	0	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other types of injury	0	0	5	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rates	Injury rate	26.2	41.1	56.8	0.0	16.2	25.7	6.8	0.0	9.6	0.0	0.0	0.0	13.9	16.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	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	0.13	0.26	0.13	0.00	0.12	0.21	0.05	0.00	0.04	0.00	0.00	0.00	4.17	3.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Absentee rate (%)	4.58	3.73	5.91	0.00	6.83	3.50	3.46	2.65	1.61	2.16	2.34	2.41	3.00	2.00	0.24	1.71	1.16	1.57	0.00	0.00	0.10	1.40	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 404-1

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	74	80	52	59	30	20	9	47	29	60	80	0
	F	72	0	0	36	30	0	9	18	36	47	0	0
Staff	M	20	0	52	36	30	32	9	19	0	0	12	5
	F	19	0	61	25	30	16	9	40	4	28	0	0
Operatives	M	4	0	4	2	30	4	9	4	4	0	0	13
	F	8	0	1	2	0	0	9	0	4	0	0	0

M = Male F = Female

Annexure 2 - Associated process materials by weight or volume 301-1

Non-renewable associated process materials		2016	2015	2014
Terragri Ltd	Herbicides, in tonnes	35.69	34.72	34.10
	Herbicides, in m^3	35.86	34.11	29.80
	Diesel consumption, in m^3	2,002.10	2,083.00	2,004.49
Terra Milling Ltd	Chemicals used in the sugar manufacturing process, in tonnes	1,221.50	1,273.10	1,314.40
Terragen Ltd	Chemicals for water treatment, in tonnes	303	298	190
Grays Distilling Ltd	Chemicals used in boiler and distillation processes, in tonnes	164.69	158.97	58.15
Grays Inc. Ltd	Chemicals, in m^3	10.88	9.61	14.61
	Glass bottles, in tonnes	1,845.26	1,753.68	1,923.14
	Materials such as cardboard boxes, bottles, caps, corks, labels, aluminium cans, in tonnes	318.52	208.48	245.32
Topterra Ltd	Chemicals used in processes, in tonnes	130.60	143.00	107.00

Annexure 3 - Indirect economic impacts of Terra's operations 203-2

The industrial ecosystem of Terra illustrates its indirect economic impacts. Group operations contribute significantly to the economy of the country, not only directly but also through linkages with other sectors such as employment opportunities along the supply chain. Each entity of Terra has its particular indirect economic impacts owing to its diverse nature of activities.

Terragri Ltd that owns a large part of the agricultural and non-agricultural land in the North of the island encourages good agricultural practices. The growing process prevents soil erosion and preserves the natural properties of soil. Most of the sugarcane processed at Terra Milling Ltd is converted into specialty sugars that travel around the world, giving opportunities for people to discover and appreciate Mauritian sugar. The new installation at Terragen Ltd since 2014 for burning a new biomass, sugarcane trash, further reduces to some extent its dependence on coal and increases the share of renewable energy source in Mauritius. Moreover, the internal knowledge and skills attracts University students for short term training, which helps them grow in their studies and career.

Grays Distilling Ltd exports around two third of its alcohol production, making this product known to the world. It helps, along with Grays Inc. Ltd, the population to experience and taste good quality spirits. Business development, particularly opening of new shops by Grays Inc. Ltd, promotes job opportunities. Employees have also the chance of experiencing the numerous brands of products being offered through awareness session on special occasions. The population benefits from the knowledge on wine. The treatment of *vinasse*, which is transformed by Topterra Ltd into organic liquid fertiliser, has contributed to a decrease in importation of solid fertiliser by the major consumers.

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.

Real Estate/Sagiterra Ltd – refer to the Real Estate section in the Review of Operations chapter on page 46.

Annexure 4 - Details on Terra Foundation's activities 413-1

4.1 Sponsorships Renewed in 2016

Education and Training (10)

NGO	Project
'*Les Amis de Zippy*' via Action for Integral Human Development	A programme helping children to cope with their emotions and difficult situations, sponsored for 4 schools and reaching 206 children & 8 teachers
The '*Mouvement Civique de la Baie du Tombeau*'	For its non-formal school 'Ecole de la Vie'
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 (St Patrick's College)	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
BPS Fatima college	For the third year of their 'education for Sustainability' project
Atelier de Formation Joie de Vivre	For the sponsorship of a music teacher
Association d'Alphabétisation de Fatima	For the sponsorship of school fees for one vulnerable youth

Daily Meals (2)

Sponsorships were maintained for the daily meals of some 121 children in the following NGOs:

NGO	Project
Association Amour Sans Frontières	Caring for handicaped children and young adults
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

Annexure 4 - Details on Terra Foundation's activities (cont'd)

4.1 Sponsorships renewed in 2016 (cont'd)

Poverty Alleviation (8)

NGO	Project
SAFIRE	For the reintegration of out of school children in a pocket of poverty at Cité Mère Térésa
Caritas Solitude	For the breakfast and lunch of vulnerable students, IT beginners courses and holiday activities
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	Sponsorship for two abandoned and neglected children
ARISE	For the birthdays of the abandoned and neglected children
Association Les Enfants d'un rêve	For the school materials of vulnerable pre-primary students
APEA	For their public collection
Société de Secours Mutuels de Pointe aux Piments	For the school materials of vulnerable students of the area

Health Care (1)

NGO	Project
T1 Diams	For the therapy and monitoring of beneficiaries living with Type 1 diabetes

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

Annexure 4 - Details on Terra Foundation's activities (cont'd)

4.2 New Projects Sponsored in 2016

Education and Training (5)

NGO	Project
UNI Kidz	For the inclusion, integration and follow-up of handicapped children in normal schools
Global Rainbow Foundation	A contribution was made for the travelling expenses of a physically impaired student from a low-income family of Solitude attending the Royal College of Port Louis
ZEP school Aimée Césaire	For the visit of the museum of *L'Aventure du Sucre* for some 105 children
Association Etoile de Mer	For the visit of the museum of *L'Aventure du Sucre* for some 16 adults

Poverty Alleviation (4)

NGO	Project
Fondation Joseph Lagesse	For the 'Life skills' training of 4 families relocated in a social housing project at Amaury after the completion of the first phase of this project where Terra Foundation sponsored 1 social house
Sir Gaetan Duval Foundation	A contribution was made for the renovation of a house for 2 families living under the same roof in a slum
Shelter *L'Oiseau du Paradis* at Cap Malheureux	The foundation sponsored tickets for the Samoa Circus and a lunch in July 2016 for the 32 children of this residential shelter and for the carers as well as their Christmas dinner and gifts
Victims of floods at Fond du Sac (students)	A contribution in kind was made for a fundraising event organised by the filling station Engen for the school materials of the students victims of floods at Fond du Sac last year

Health Care (2)

NGO	Project
Friends in Hope	A contribution was made for the fees of the carers of this NGO caring for people with psychiatric illnesses
LEAD (Leadership, Empowerment, Action, Development)	For the training of youth leaders of Pointe aux Piments owing to the devastations of the synthetic drugs in the region. The aim being to maintain ongoing awareness and prevention sessions

Sports (3)

NGO	Project
Faucon Flacq SC	A contribution was made for the promotion of cycling through the creation of a cycling school for vulnerable youths
Club Sportif de Pamplemousses	A contribution was made for the equipment of the vulnerable youths cared for by this club
National Social Housing project d'Epinay (NHDC)	A sponsorship was made for 10 family vouchers for *L'Aventure du Sucre* as prizes for the inter-NHDC sports competition

Environment (2)

NGO	Project
Biodiversity Preservation (Ex Slow Food Tipa Tipa)	For the setting-up of organic gardens in 3 schools/institutions in the north and the training and monitoring of the students
Fondation Resources et Nature (FORENA)	The foundation sponsored a drip irrigation system and the set-up of an 'Organic shop'. This project is on the grounds of another NGO, the '*Maison Familiale Rurale du Nord*' at Calebasses where FORENA is producing organic vegetables

GRI Content Index Terra Mauricia Ltd May 2017 Service

Annexure 5: GRI Content Index 102-55

General Standard Disclosures

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
General Disclosures			
GRI 102: General Disclosures 2016	**Organisational profile**		
	102-1 Name of the organisation	Page 1	-
	102-2 Activities, brands, products, and services	Pages 4, 15	-
	102-3 Location of headquarters	Page 109	-
	102-4 Location of operations	Pages 30, 55, 109	-
	102-5 Ownership and legal form	Page 92	-
	102-6 Markets served	Pages 24, 34, 40, 46, 52	-
	102-7 Scale of the organisation	Pages 4, 6, 18, 58, 90, 117, 124	-
	102-8 Information on employees and other workers	Pages 191 (Annexure 1 Table 1.1) The HR department closely monitor this information and the latter is recorded on excel document and other applicable software. The information with regards to the portion of the organisation's activities that are performed by workers other than the employees are being compiled at the moment and will be available in the next reporting cycle.	-
	102-9 Supply chain	Page 30 - Annex 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	102-10 Significant changes to the organisation and its supply chain	Pages 15, 24, 34, 40, 46, 52	-
	102-11 Precautionary principle or approach	Page 20	-
	102-12 External Initiatives	Terra is a 'Gold Community' member of Global Reporting Initiative organisation since 2014.	-

Annexure 5: GRI Content Index (cont'd)

General Standard Disclosures (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
General Disclosures			
	102-13 Membership of associations	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. Page 96	-
	Strategy		
	102-14 Statement from senior decision-maker	Pages 11, 15	-
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behaviour	Pages 20, 58, 98	-
	Governance		
	102-18 Governance structure	Pages 92, 96	-
	Stakeholder engagement		
	102-40 List of stakeholder groups	Page 20 Pages 25, 30 - Annex 2 and 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauritia_ltd.pdf	-
	102-41 Collective bargaining agreements	Page 191 (Annexure 1 Table 1.1)	-
	102-42 Identifying and selecting stakeholders	Page 10 (Section 2) of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauritia_ltd.pdf	-
	102-43 Approach to stakeholder engagement	Each entity has its own approach of engaging with its stakeholders. Page 10 (Section 2) of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauritia_ltd.pdf Detailed information of stakeholder engagement is being compiled and will be produced in the next reporting period.	-
	102-44 Key topics and concerns raised	Each entity has its own approach of engaging with its stakeholders. Page 10 (Section 2) of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauritia_ltd.pdf Detailed information on this section will be produced in the next reporting period.	-

Annexures (cont'd)

Annexure 5: GRI Content Index (cont'd)

General Standard Disclosures (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
General Disclosures			
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	Page 4	-
	102-46 Defining report content and topic boundaries	Page 10 (Section 2) of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauritia_ltd.pdf	-
	102-47 List of material topics	Page 16 (Section 3, Table 2 & 3) of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauritia_ltd.pdf	-
	102-48 Restatements of information	There is no restatements of information regarding previous report.	-
	102-49 Changes in reporting	The list of material topics was revised for some of the entities and the new one is shown on pages 17-18 in Tables 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauritia_ltd.pdf	-
	102-50 Reporting period	January 01- December 31, 2016	-
	102-51 Date of most recent report	The most recent previous report covered the period January 01- December 31, 2015. It can be accessed on http://www.terra.co.mu/media/36122/annual_report_2015.pdf	-
	102-52 Reporting cycle	Annual	-
	102-53 Contact point for questions regarding the report	Louis Denis Koenig, Administrative Executive (ldkoenig@terra.co.mu)	-
	102-54 Claims of reporting in accordance with the GRI Standards	This report was prepared in accordance with the GRI Standards: Core option.	-
	102-55 GRI content index	The GRI content index is provided on page 199 (Annexure 5)	-
	102-56 External assurance	Terra has decided not to seek external assurance for the report.	-

Annexure 5: GRI Content Index (cont'd)

Topic Specific Standards

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
Material topics			
Economic			
Economic performance			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Pages 11, 15	-
	103-3 Evaluation of the management approach	Pages 11, 15	-
GRI 201: Economic performance 2016	201-1 Direct economic generated and distributed	Page 8	-
	201-3 Defined benefit plan obligations and other retirement plans	Pages 135, 144, 167	-
Market presence			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Page 58	-
	103-3 Evaluation of the management approach	Page 58	-
GRI 202: Market presence 2016	202-2 Proportion of senior management hired from the local community	Senior management is the team at group level that manages the operations of the entities. Given the smallness of Mauritius, all of Terra's significant locations of operation are taken to overlap with then entire national territory. In this case, 99% of senior management are hired locally that reveals the orientation of Terra ot favour local employment. Page 84	-

Annexures (cont'd)

Annexure 5: GRI Content Index (cont'd)

Topic Specific Standards (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
Indirect economic impacts			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Page 23 - Annex 1 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-3 Evaluation of the management approach	Page 23 - Annex 1 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts	Pages 195 (Annexure 3) Page 23 - Annex 1 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
Procurement practices			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Pages 43, 49	-
	103-3 Evaluation of the management approach	Pages 43, 49	-
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Pages 43, 49	-
Anti-corruption			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Page 98	-
	103-3 Evaluation of the management approach	Page 98	-
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Page 98	-

Annexure 5: GRI Content Index (cont'd)

Topic Specific Standards (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
Environmental			
Materials			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Pages 72, 73	-
	103-3 Evaluation of the management approach	Pages 72, 73	-
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Pages 73, 195 (Annexure 2)	-
	301-2 Recycled input materials used	Page 73	-
Energy			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Pages 72, 74	-
	103-3 Evaluation of the management approach	Pages 72, 74	-
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Page 75	-
Water			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauri-cia_ltd.pdf	-
	103-2 The management approach and its components	Pages 72, 73	-
	103-3 Evaluation of the management approach	Pages 72, 73	-
GRI 303: Water 2016	303-1 Water withdrawal by source	Pages 73, 74	-

Annexure 5: GRI Content Index (cont'd)

Topic Specific Standards (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
Emissions			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Pages 72, 75	-
	103-3 Evaluation of the management approach	Pages 72, 75	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 75	-
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Page 76	-
Effluents and waste			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauri-cia_ltd.pdf	-
	103-2 The management approach and its components	Pages 72, 76	-
	103-3 Evaluation of the management approach	Pages 72, 76	-
GRI 306: Effluents and waste 2016	306-2 Waste by type and disposal method	Page 76	-

Annexure 5: GRI Content Index (cont'd)

Topic Specific Standards (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
Environmental compliance			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Page 72	-
	103-3 Evaluation of the management approach	Page 72	-
GRI 307: Environmental compliance 2016	307-1 Non compliance with environmental laws and regulations	Page 72	-
Social			
Employment			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Page 58	-
	103-3 Evaluation of the management approach	Page 58	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pages 192 - 193 (Annexure 1 Tables 1.2 - 1.5)	-

Annexures (cont'd)

Annexure 5: GRI Content Index (cont'd)

Topic Specific Standards (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
Labour/Management relations			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Pages 58	-
	103-3 Evaluation of the management approach	Pages 58	-
GRI 402: Labour Management relations 2016	402-1 Minimum notice periods regarding operational changes	Page 60	-
Occupational health and safety			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Pages 58, 61	-
	103-3 Evaluation of the management approach	Pages 58, 61	-
GRI 403 Occupational health and safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 194 (Annexure 1 Table 1.6)	-

Annexure 5: GRI Content Index (cont'd)

Topic Specific Standards (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
Training and education			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Page 58	-
	103-3 Evaluation of the management approach	Page 58	-
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Page 194 (Annexure 1 Table 1.7)	-
Freedom of association and collective bargaining			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Page 58	-
	103-3 Evaluation of the management approach	Page 58	-
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 60	-

Annexure 5: GRI Content Index (cont'd)

Topic Specific Standards (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
Local communities			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Page 66	-
	103-3 Evaluation of the management approach	Page 66	-
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 66, 196 (Annexure 4)	-
Customer health and safety			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Pages 29, 43, 49	-
	103-3 Evaluation of the management approach	Pages 29, 43, 49	-
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pages 29, 43, 49	-

Annexure 5: GRI Content Index (cont'd)

Topic Specific Standards (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
Marketing and labelling			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Pages 29, 43, 49, 52, 53	-
	103-3 Evaluation of the management approach	Pages 29, 43, 49, 52, 53	-
GRI 417: Marketing and labelling 2016	417-1 Requirements for product and service information and labeling	Pages 29, 43, 49, 53	-
	417-3 Incidents of non-compliance concerning marketing communications	Pages 43, 49, 52	-
Customer privacy			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Pages 43, 49, 52, 53	-
	103-3 Evaluation of the management approach	Pages 43, 49, 52, 53	-
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 43, 49, 52, 53	-

Annexure 5: GRI Content Index (cont'd)

Topic Specific Standards (cont'd)

GRI Standard	Disclosure	Page Number(s) / Direct Answer	Omission
Socioeconomic compliance			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	Pages 10, 16 - Section 2 & 3 of the document: http://www.terra.co.mu/media/38466/defining_the_report_content_for_terra_mauricia_ltd.pdf	-
	103-2 The management approach and its components	Page 72	-
	103-3 Evaluation of the management approach	Page 72	-
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Page 72	-

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 **THURSDAY 29 JUNE 2017 at 2.00 p.m.** to transact the following business:

1. To consider the Annual Report for the year ended 31 December 2016.
2. To receive the report of the auditors on the audited financial statements of Terra for the year ended 31 December 2016.
3. To consider and approve the audited financial statements of Terra for the year ended 31 December 2016:

Ordinary Resolution
"Resolved that the audited financial statements of Terra Mauricia Ltd for the year ended 31 December 2016 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 2016:

Ordinary Resolution
"Resolved that the audited financial statements of Terragri for the year ended 31 December 2016 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 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 Dominique de Froberville
(ii) Mr Alexis Harel
(iii) Mr Nikhil Treebhoohun.

Ordinary Resolution
"Resolved that the following persons be and are hereby re-elected as director of Terragri (as separate resolutions):
(i) Mr Dominique de Froberville
(ii) Mr Alexis Harel
(iii) Mr Nikhil Treebhoohun."

4.4 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 4.4 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 4.4 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 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 Dominique de Froberville
(ii) Mr Alexis Harel
(iii) Mr Nikhil Treebhoohun.

Ordinary Resolution
"Resolved that the following persons be and are hereby re-elected as director of Terra (as separate resolutions):
(i) Mr Dominique de Froberville
(ii) Mr Alexis Harel
(iii) Mr Nikhil Treebhoohun."

6.3 to fix for the period starting from 1st July 2017 and ending on 30 June 2018, 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 2017 to 30 June 2018 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 2017

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 registered 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 registered 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 2017.

e. The audited financial statements of Terragri for the year ended 31 December 2016 are available for inspection during normal business hours at the registered office of Terra, Beau Plan Business Park, Pamplemousses.

f. A short biographic note on each director, including those proposed to be re-elected, can be found on pages 80 and 81 of the Annual Report.

TERRA MAURICIA LTD (the "Company")
PROXY / CASTING POSTAL VOTE FORM

APPOINTMENT OF PROXY* (see notes **a**, **b** and **c** 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 **Thursday 29 June 2017** and at any adjournment thereof. The proxy will vote on the under-mentioned resolutions, as indicated below:

CASTING POSTAL VOTES* (see notes **b** and **d** 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 **Thursday 29 June 2017** 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 2016 be and is hereby approved.	☐	☐	☐
4.1 Resolved that the audited financial statements of Terragri Ltd for the year ended 31 December 2016 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 the following persons be and are hereby re-elected as director of Terragri (as separate resolutions):			
(i) Mr Dominique de Froberville	☐	☐	☐
(ii) Mr Alexis Harel	☐	☐	☐
(ii) Mr Nikhil Treebhoohun.	☐	☐	☐
4.4 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 4.4 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 are hereby re-elected as director of Terra to hold office until the next Annual Meeting of Terra.	☐	☐	☐
6.2 Resolved that the following persons be and are hereby re-elected as director of Terra (as separate resolutions):			
(i) Mr Dominique de Froberville	☐	☐	☐
(ii) Mr Alexis Harel	☐	☐	☐
(ii) Mr Nikhil Treebhoohun.	☐	☐	☐
6.3 Resolved that the fees for the period from 1st July 2017 to 30 June 2018 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 2017.

....
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. According to law, an abstention is not considered as a vote and will not be counted in the calculation of the proportion of votes for and against a resolution.

c. To be effective, this form of proxy should reach the registered 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.

d. 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 registered 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 Lenza Green 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 CO_2 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 Lenza Green paper made from?
Recycled paper produced of 100 % recovered fibre certified FSC® (Forest Stewardship Council).
FSC® is an international, non-governmental, non-profit making organisation created in 1993.

How is Lenza Green paper manufactured?
It is manufactured without chlorine bleaching, high whiteness thanks to a special converting process for recovered fibre.

Why we chose Lenza Green paper?
Product exhibits high opacity and good sheet formation as well as maximum ageing resistance.
Excellent usability given on all types of processing machinery for application from envelopes to annual reports.

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