

TERRA MAURICIA LTD

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

GROUP ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

GROUP ABRIDGED AUDITED STATEMENT OF FINANCIAL POSITION

	THE GROUP 2013 MUR'M	THE GROUP RESTATE 2012 MUR'M
ASSETS		
Non-current assets	17,829.5	17,099.1
Current assets	2,267.6	2,195.1
Non-current asset classified as held for sale	85.0	22.9
Total assets	20,182.1	19,317.1
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	16,463.8	16,437.7
Non-controlling interests	949.3	961.7
Total equity	17,413.1	17,399.4
Non-current liabilities	670.7	578.6
Current liabilities	2,097.8	1,338.8
Liabilities directly associated with non-current assets classified as held for sale	0.5	0.3
Total equity and liabilities	20,182.1	19,317.1

GROUP ABRIDGED AUDITED STATEMENT OF PROFIT OR LOSS

	THE GROUP 2013 MUR'M	THE GROUP RESTATE 2012 MUR'M
Turnover	4,078.0	4,185.5
Profit before finance costs	313.1	641.6
Finance costs	(25.0)	(46.3)
Share of results of associates	232.3	141.5
Profit before taxation	520.4	736.8
Taxation	(47.8)	(82.9)
Profit for the year	472.6	653.9

Profit attributable to:

	THE GROUP	THE GROUP RESTATE
Owners of the parent	365.1	500.9
Non-controlling interests	107.5	153.0
	472.6	653.9

DATA PER SHARE

EARNINGS PER SHARE - MUR	1.60	2.20
NET ASSETS PER SHARE - MUR	72.35	72.24
NUMBER OF ORDINARY SHARES AT YEAR END	227,545,624	227,545,624

GROUP ABRIDGED AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP 2013 MUR'M	THE GROUP RESTATE 2012 MUR'M
Profit for the year	472.6	653.9
Other comprehensive income for the year	(153.2)	4,149.3
Total comprehensive income for the year net of tax	319.4	4,803.2
Total comprehensive income attributable to:		
Owners of the parent	225.6	4,640.9
Non-controlling interests	93.8	162.3
	319.4	4,803.2

AUDITORS' REPORT

We have audited the financial statements of Terra Mauricia Ltd for the year ended December 31, 2013, from which the abridged financial statements were extracted, in accordance with International Standards on Auditing.

Our opinion on these financial statements, which will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders, is unqualified.

In our opinion, the abridged financial statements are consistent, in all material respects, with the financial statements from which they were derived.

BDO Chartered Accountants

These abridged audited financial statements are issued pursuant to Listing Rule 12.14 and Securities Act 2005.

The Board of Directors of Terra Mauricia Ltd accepts full responsibility for the accuracy of the information contained in these financial statements.

The statement of direct and indirect interests of officers of the company required under rule 8(2) (m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available, free of charge, upon request addressed to the Company Secretary, Terra Services Ltd, 18, Edith Cavell Street, Port-Louis.

Copies of the abridged audited financial statements are available, free of charge, upon request addressed to the Company Secretary, Terra Services Ltd, 18, Edith Cavell Street, Port-Louis.

By order of the Board of Directors
Terra Services Ltd
Secretary

March 26, 2014

GROUP ABRIDGED AUDITED STATEMENT OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent					Non-controlling Interests MUR'M	Total Equity MUR'M
	Stated Capital MUR'M	Revaluation and Other Reserves MUR'M	Retained Earnings MUR'M	Total MUR'M			
At January 1, 2013							
-as previously reported	11,976.0	4,175.4	321.8	16,473.2	961.5	17,434.7	
-effect of adopting IAS 19 (Revised)	-	(35.7)	0.2	(35.5)	0.2	(35.3)	
-as restated	11,976.0	4,139.7	322.0	16,437.7	961.7	17,399.4	
Total comprehensive income for the year	-	(139.5)	365.1	225.6	93.8	319.4	
Release of deferred tax on excess depreciation over historical cost depreciation	-	3.4	-	3.4	-	3.4	
Release on disposal of land	-	(37.3)	37.3	-	-	-	
Non-controlling interest arising on acquisition of new subsidiary companies	-	-	-	-	0.8	0.8	
Movement in reserves	-	(20.9)	-	(20.9)	1.2	(19.7)	
Dividends	-	-	(182.0)	(182.0)	(108.2)	(290.2)	
Balance as at December 31, 2013	11,976.0	3,945.4	542.4	16,463.8	949.3	17,413.1	

THE GROUP	Attributable to owners of the parent					Non-controlling Interests MUR'M	Total Equity MUR'M
	Stated Capital MUR'M	Revaluation and Other Reserves MUR'M	Retained Earnings MUR'M	Total MUR'M			
Shares issued through 'Scheme of Arrangement'	11,976.0	-	-	11,976.0	-	11,976.0	
Consolidation adjustment	-	-	-	-	914.0	914.0	
Total comprehensive income for the year	-	4,140.0	500.9	4,640.9	162.3	4,803.2	
Release of deferred tax on excess depreciation over historical cost depreciation	-	2.8	-	2.8	-	2.8	
Release on disposal of land	-	(3.1)	3.1	-	-	-	
Non-controlling interest arising on acquisition of new subsidiary companies	-	-	-	-	6.2	6.2	
Dividends	-	-	(182.0)	(182.0)	(120.8)	(302.8)	
Balance as at December 31, 2012	11,976.0	4,139.7	322.0	16,437.7	961.7	17,399.4	

GROUP ABRIDGED AUDITED CASH FLOW STATEMENT

	THE GROUP 2013 MUR'M	THE GROUP 2012 MUR'M
Net cash from operating activities	518.7	667.0
Net cash used in investing activities	(888.1)	(521.4)
Net cash from/(used) in financing activities	577.9	(464.5)
Increase/(decrease) in cash and cash equivalents	208.5	(318.9)

Movements in cash and cash equivalents

At January, 1	(258.0)	-
Consolidation adjustment - opening balance	-	53.9
Consolidation adjustment - New subsidiaries	-	7.0
Increase/(decrease)	208.5	(318.9)
At December, 31	(49.5)	(258.0)

NOTES

1. The abridged audited financial statements for the year ended December 31, 2013 are audited and have been prepared in line with International Financial Reporting Standards, except for the adoption of the relevant amendments to published Standards, Standards and Interpretations issued, now effective.

2. As of January 1, 2013, the Group adopted the revised IAS 19, Employee Benefits. These group abridged audited financial statements reflect the retrospective application of the revised IAS 19.

3. SEGMENT INFORMATION

Terra Mauricia Ltd segments are strategic business units that offer different products and services.

	SUGAR	ENERGY	COMMERCIAL & ALCOHOL PRODUCTION	OTHERS	TOTAL
THE GROUP 2013	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
External sales	1,263.6	1,102.1	1,492.5	219.8	4,078.0
Segment profit	10.3	160.1	102.7	40.0	313.1
Share of results of associates	74.4	-	29.6	128.3	232.3
Profit after tax	59.9	132.4	115.3	165.0	472.6
THE GROUP 2012	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
External sales	1,349.1	1,180.6	1,422.6	233.2	4,185.5
Segment profit	195.6	245.0	122.1	78.9	641.6
Share of results of associates	87.2	-	20.1	34.2	141.5
Profit after tax	242.5	185.0	118.5	107.9	653.9

4. BRIEF REVIEW OF THE ACTIVITIES AND RESULTS

GROUP RESULTS

Net assets per share remained stable at MUR 72.35 despite the negative impact of IAS 19 (revised) of MUR 151 M on reserves. Group turnover for the year decreased marginally by 2.6% while group profit after tax dropped by 28% to MUR 473 M owing mainly to the unfavourable performance of the sugar and energy segments. This was partly mitigated by the improved performance of associates and lower finance costs.

In late December 2013, the group acquired a 29% stake in United Investments Limited (UIL) for which no corresponding profit was booked for the year. While the financing of this transaction has temporarily increased group current liabilities at year end, overall gearing, at 8%, remains low. Longer term finance has been arranged in 2014.

SUGAR

This segment suffered a negative turnaround of MUR 183 M in after tax profits. This is due to lower sugar prices and special sugar premiums, an average crop, increased production costs mainly due to machinery breakdowns and, finally, to disruptions to the crop caused by an exceptionally high occurrence of cane fires during the crop season. As for our Ivorian associate, it fared rather well, despite a drop of MUR 12.8 M in profits compared to the previous year.

ENERGY

Despite a record electricity off-take on the part of CEB, this segment's after tax profits dropped by MUR 52.6 M in 2013, mainly on account of the lower tariffs applicable to the post-debt period, as provided for in the Power Purchase Agreement. The impact of the lower tariff was partly mitigated by lower finance costs.

COMMERCIAL AND ALCOHOL PRODUCTION

Alcohol production was down for the year, reducing profitability, while the commercial activity was adversely affected by the continuing shift in consumption patterns towards lower priced products. However, the improved results of our associates in this segment and reduced finance costs brought the segment's results almost back to last year's levels.

OTHERS

Profits after tax improved by some MUR 57 M on last year. Here again, the disappointing results of some subsidiaries were more than offset by the strong performance of associates, mainly in financial services and construction, with the latter now out of the red.

5. PROSPECTS

The current economic climate remains challenging locally, with a low growth rate, persisting high unemployment and ever increasing competition. As for the sugar sector, it finds itself yet again at crossroads, with prices dropping in Europe in anticipation of the elimination of quotas as from 2017.

While most segments are expected to perform on a par with last year, there is little visibility and forecasting has become difficult. We are constantly reviewing our strategy to face new challenges, seek further diversification and respond to opportunities that will no doubt present themselves.