

# TERRA MAURICIA LTD

## GROUP ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### GROUP ABRIDGED AUDITED STATEMENTS OF FINANCIAL POSITION

	THE GROUP 2017 MUR'M	THE GROUP 2016 MUR'M
<b>ASSETS</b>		
Non-current assets	15,915.8	15,455.9
Current assets	2,794.3	2,769.6
Non-current asset classified as held for sale	46.6	122.9
<b>Total assets</b>	<b>18,756.7</b>	<b>18,348.4</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Owners' interest	13,258.3	13,306.8
Non-controlling interests	1,074.6	1,003.7
Total equity	14,332.9	14,310.5
<b>Non-current liabilities</b>	<b>1,208.7</b>	<b>1,179.3</b>
<b>Current liabilities</b>	<b>3,207.6</b>	<b>2,856.3</b>
Liabilities directly associated with non-current assets classified as held for sale	7.5	2.3
<b>Total equity and liabilities</b>	<b>18,756.7</b>	<b>18,348.4</b>

### GROUP ABRIDGED AUDITED STATEMENTS OF PROFIT OR LOSS

	THE GROUP 2017 MUR'M	THE GROUP 2016 MUR'M
Turnover	5,087.3	4,860.5
Profit before finance costs, exceptional item and share of results of associates	318.7	459.8
Finance costs	(100.4)	(78.8)
Share of results of associates	42.3	52.4
Profit before taxation	260.6	433.4
Taxation	(16.3)	(65.2)
<b>Profit for the year</b>	<b>244.3</b>	<b>368.2</b>

#### Profit attributable to:

	THE GROUP	THE GROUP
Owners of the parent	85.5	219.3
Non-controlling interests	158.8	148.9
	<b>244.3</b>	<b>368.2</b>

### DATA PER SHARE

EARNINGS PER SHARE - MUR	0.38	0.96
NET ASSETS PER SHARE - MUR	58.27	58.48
NUMBER OF ORDINARY SHARES AT YEAR END	227,545,624	227,545,624

### GROUP ABRIDGED AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP 2017 MUR'M	THE GROUP 2016 MUR'M
Profit for the year	244.3	368.2
Other comprehensive income for the year	28.3	(3,599.0)
<b>Total comprehensive income for the year net of tax</b>	<b>272.6</b>	<b>(3,230.8)</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	120.2	(3,374.3)
Non-controlling interests	152.4	143.5
	<b>272.6</b>	<b>(3,230.8)</b>

### AUDITORS' REPORT

We have audited the financial statements of Terra Mauricia Ltd for the year ended December 31, 2017, 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

### 3. BRIEF REVIEW OF THE ACTIVITIES AND RESULTS

**GROUP RESULTS** - Group turnover grew by 4.7% to reach MUR 5,087 M, while overall group profits after tax dropped by MUR 124 M to MUR 244 M, mainly due to substantial losses recorded by our local sugar operations as a result of the sharp drop in sugar price.

Owners' interest remained almost at par with last year at MUR 13,258 M, with a net asset value per share of MUR 58.27.

**SUGAR** - Our local sugar operations recorded losses of MUR 168 M attributable to the low sugar price of MUR 11,000 per Tonne. The Mauritius Sugar Syndicate (MSS), in consultation with the Sugar Insurance Fund Board (SIFB), implemented various financial support measures in terms of advances to the growers and millers, through loans which the MSS contracted with financial institutions and the SIFB representing in total MUR 1,450 per Tonne. The SIFB also granted a compensation of MUR 1,250 per Tonne as per Government's recommendation. These measures enabled the sugar growers and millers to secure sugar receipts of MUR 13,700 per Tonne for the 2017 crop year. These accompanying measures thus contributed to limit our financial losses in 2017.

Our sugar activities in Côte d'Ivoire remained profitable, although profits derived dropped by MUR 13 M to MUR 50 M.

**ENERGY** - Bottom-line profits increased by MUR 17 M as a result of a satisfactory offtake level and improved plant efficiencies.

**BRANDS** - Profit after tax remained at par with last year at MUR 125 M. We managed to derive additional profits from our newly acquired subsidiary in Seychelles, while our commercial operations in Uganda suffered losses.

**PROPERTY & LEISURE** - The new property cluster is now in operation and derives income from renting investment properties, land sales and various consultancy fees, which generated a profit after tax of MUR 104 M. It is also focussing on projects which will unlock value from our land holdings in the medium to long term.

The contribution of Sugarworld to profit amounted to MUR 11 M (2016 MUR 10M).

**OTHERS** - The profitability of that segment was negatively impacted by the performance of our investments.

**OUTLOOK** - We are very concerned, as regards to the future of the sugar industry, following the end of the EU quotas in 2017. We have now moved on from what used to be a cyclical problem to an inherently structural one. Bold measures need to be taken at national level, as a matter of utmost priority, in order to maintain the competitiveness of this industry.

Besides sugar, we expect our other clusters to perform well. It is anticipated that the property activities will gain momentum in the medium term as we implement new real estate projects, including the Beau Plan Smart City.

By order of the Board of Directors  
Terra Services Ltd, Secretary  
29 March 2018

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, Beau Plan Business Park, Pamplemousses. Copies of the abridged audited financial statements are available, free of charge, upon request addressed to the Company Secretary, Terra Services Ltd, Beau Plan Business Park, Pamplemousses.

### GROUP ABRIDGED AUDITED STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent				Non-controlling Interests	Total Equity
	Stated Capital	Revaluation and Other Reserves	Retained Earnings	Total		
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2017	11,976.0	298.8	1,032.0	13,306.8	1,003.7	14,310.5
Profit for the year	-	-	85.5	85.5	158.8	244.3
Other comprehensive income for the year	-	34.7	-	34.7	(6.4)	28.3
Release of deferred tax on excess depreciation over historical cost depreciation	-	1.0	-	1.0	-	1.0
Movement in reserves	-	23.7	-	23.7	0.7	24.4
Non-controlling interests arising on business combinations	-	-	-	-	30.9	30.9
Dividends	-	-	(193.4)	(193.4)	(113.1)	(306.5)
<b>Balance as at December 31, 2017</b>	<b>11,976.0</b>	<b>358.2</b>	<b>924.1</b>	<b>13,258.3</b>	<b>1,074.6</b>	<b>14,332.9</b>
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	-	-	(193.4)	(193.4)	(115.1)	(308.5)
<b>Balance as at December 31, 2016</b>	<b>11,976.0</b>	<b>298.8</b>	<b>1,032.0</b>	<b>13,306.8</b>	<b>1,003.7</b>	<b>14,310.5</b>

### GROUP ABRIDGED AUDITED CASH FLOW STATEMENT

	THE GROUP 2017 MUR'M	THE GROUP 2016 MUR'M
Net cash from operating activities	246.5	471.4
Net cash used in investing activities	(440.5)	(347.6)
Net cash from financing activities	113.1	124.5
(Decrease)/increase in cash and cash equivalents	<b>(80.9)</b>	<b>248.3</b>
<b>Movements in cash and cash equivalents</b>		
At January, 1	136.3	(118.0)
(Decrease)/increase	(80.9)	248.3
Consolidation adjustment	(3.8)	6.0
<b>At December, 31</b>	<b>51.6</b>	<b>136.3</b>

### NOTES

1. The abridged audited financial statements for the year ended December 31, 2017 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. SEGMENT INFORMATION

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

	SUGAR	ENERGY	BRANDS	PROPERTY & LEISURE	OTHERS	TOTAL
THE GROUP	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
<b>2017</b>						
External sales	1,089.9	1,340.0	2,285.4	170.7	201.3	5,087.3
Segment (loss)/profit	(168.3)	282.7	116.8	108.5	(21.0)	318.7
Share of results of associates	49.8	(4.7)	30.4	-	(33.2)	42.3
(Loss)/Profit after tax	(100.6)	236.6	125.3	103.7	(120.7)	244.3
<b>2016</b>						
External sales	1,310.3	1,127.6	2,071.6	128.2	222.8	4,860.5
Segment profit/(Loss)	45.0	264.9	112.3	39.7	(2.1)	459.8
Share of results of associates	62.6	-	37.9	-	(48.1)	52.4
Profit/(Loss)after tax	90.5	219.8	125.4	30.5	(98.0)	368.2