

CIEL AGRO & PROPERTY

EXECUTIVE REPORT



CIEL Agro and Property is CIEL's cluster that regroups all the agricultural and property investments and activities of the Group.

CIEL has gradually diversified in the property sector while remaining a key stakeholder in the agro-industry sector. CIEL Agro & Property includes its 20.96% shareholding in Alteo Limited, a listed company on the Official Market of the Stock Exchange of Mauritius ("SEM") since 2012.

Also part of the CIEL Agro & Property cluster is Ferney Limited, an important agricultural land-owner (3,000 hectares) situated close to the airport on the South East coast of Mauritius and Ebene Skies Limited, a six level building where CIEL is headquartered.

More about Alteo

Alteo is the largest sugar producer in Mauritius and a key player in the region. Its three sugar factories in Mauritius, Tanzania and Kenya process 330,000 tons of sugar annually. In addition, Alteo owns and operates three power plants (two in Mauritius, one in Tanzania) using a mix of bagasse and coal and producing approximately 456 GWh, partly exported to the grid.

Furthermore, Alteo is also the owner and developer of Anahita, a luxury real estate sanctuary located on the East coast of Mauritius, a part of the island where it also owns 15,400 hectares of land (of which 11,250 are used for sugarcane cultivation).

Management Team



Patrick de L. d'Arifat
CEO of Alteo Limited



Jean-Marc Rivet
General Manager of CIEL Properties

CIEL Agro & Property

Main Investments (% ownership)



Key Facts and Figures

OPERATIONS IN

3 COUNTRIES:

- MAURITIUS
- TANZANIA
- KENYA



200 HECTARES OF NATURE RESERVE

KEY PARTNER

TEREOS

The world's 3rd largest sugar group co-investing with us in Africa.

3 SUGAR FACTORIES

3 POWER PLANTS

7,800

SQUARE METERS OF **OFFICE SPACE**

3,000

HECTARES OF LAND LOCATED IN THE SOUTH EAST REGION OF MAURITIUS

MORE THAN **6,000** EMPLOYEES

25%
OF OUR PORTFOLIO

CIEL AGRO & PROPERTY EXECUTIVE REPORT (CONT'D)

Financial Performance

FULL YEAR RESULTS

| CIEL Agro and Property | Year ended 30 June | | |
|--|--------------------|---------------|-------------------|
| | 2016 MUR'M | 2015 MUR'M | Variance MUR'M |
| Revenue | 87 | 78 | 9 |
| EBITDA | 29 | 31 | (2) |
| Profit before non-recurring items and tax | 59 | 112 | (53) |
| Increase in fair value of investment properties/ Sale of properties (Ferney) | 127 | 168 | (41) |
| Profit after tax | 183 | 276 | (93) |
| Profit attributable to CIEL shareholders | 151 | 231 | (80) |

The profit drop reflects the reduced number of plots of land sold by Ferney Limited compared to last year, as well as lower contribution from property activities. Alteo was also impacted by an increase in finance costs linked to the debt contracted for the acquisition of Transmara Sugar Company Limited ("TSCL").

ALTEO

Geographic and sector-specific results are further detailed below:

- Results for the sugar cluster in Mauritius were better than last year. The adverse effect of a reduction in production due to a lower sucrose and higher operating costs associated with an increased cane tonnage harvested and transported was offset by a higher sugar price and a favourable movement in biological asset fair value.
- Tanzanian sugar operations achieved slightly lower results than the previous year; lower production and sales volumes due to poorer sucrose being partly compensated by a higher average sugar price, increased electricity sales and a favourable movement in biological asset fair value.
- TSCL in Kenya showed encouraging performance in the third and fourth quarters in terms of both production and prices.
- Energy operations benefitted from a higher offtake despite a lower bagasse tariff at Alteo Energy Ltd (AEL) and from the improved results of Consolidated Energy Ltd (CEL) under its new Power Purchase Agreement.
- The results of the property cluster reflect the reduced inventory available for sale after the successful completion of the Amalthea phase in the southern part of Anahita.

Consequently, CIEL's share of profit from Alteo decreased by MUR 49M to MUR 55M for the year under review.

KEY ACHIEVEMENTS IN **2015-16**

- **CONSOLIDATION OF TRANSMARA SUGAR COMPANY LIMITED**

Alteo consolidated for the full year its Kenya acquisition which production capacity has been increased during the year.

- **HIGHER CRUSHING TARGETS IN KENYA**

Alteo achieved higher production in Kenya

- **MARKET LAUNCH OF JEAN-MICHEL WILMOTTE SIGNATURE VILLAS AT ANAHITA**

Anahita Estates Ltd (part of Alteo) sealed a partnership with renowned architects, namely Jean-Michel Wilmotte and Alistair MacBeth, to develop exclusive villas on the northern parcel of Anahita.

STRATEGIC DIRECTIONS FOR **2016-17**

- **INTERESTING PROSPECTS WITH RECENT INCREASE IN WORLD SUGAR PRICE ASSOCIATED WITH A SUGAR PRODUCTION DEFICIT**

Alteo should benefit from a higher sugar price on the world market for both its exports towards Europe as well as for sugar produced for African markets.

- **LAUNCH OF THE ANAHITA HIGH-END NORTHERN PARCELS**

Anahita Estates Ltd will start the construction of exclusive villas on the northern part of the estate.



- **RE-OPENING OF ANAHITA THE RESORT IN OCTOBER 2016**

Completion of a new spa, refurbishment of the restaurants and bar and acquisition of new Amalthea residences to increase its inventory.

- **POTENTIAL OPPORTUNITY TO INCREASE ENERGY CAPACITY IN MAURITIUS**

On-going discussions with the authorities to conclude a Power Purchase Agreement