

CIEL Group reports consolidated profit after taxation of Rs 1.2 billion in the first nine months ended 31 March 2015, with all its business clusters recording improved performance

CIEL Limited, (“the Company”/“CIEL”), formerly known as Deep River Investment Limited (“DRI”) is the company with and into which CIEL Investment Limited (“CIL”) has been amalgamated effective as from 24 January 2014.

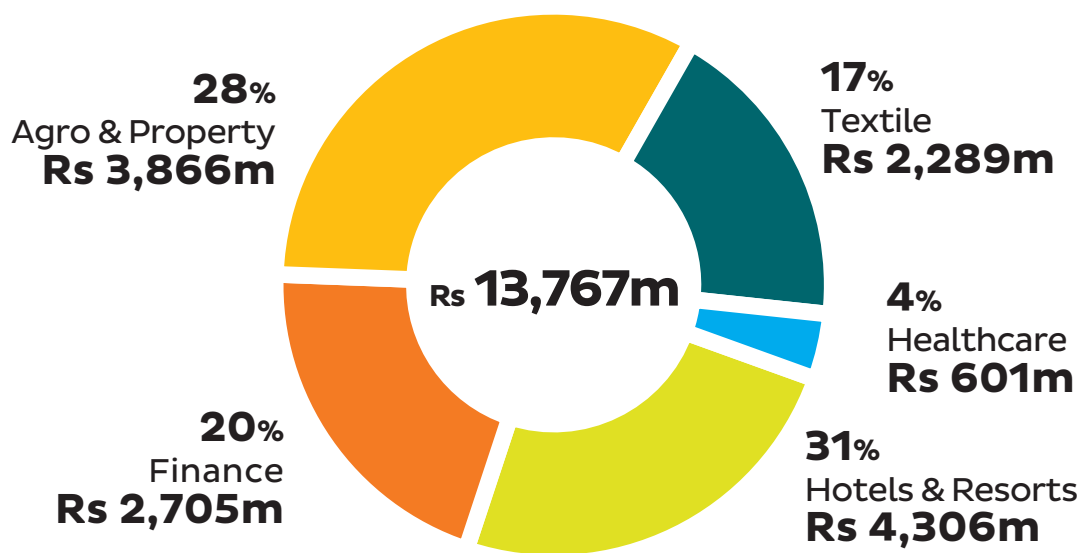
The unaudited “comparative” figures of the Company and of the Group for the nine months and quarter ended 31 March 2015 presented herewith are those of DRI and are therefore not comparable with those of the current period, which are those of CIEL Limited.

Investment Portfolio Update

- CIEL Finance Ltd (“CFL”) has teamed up with Amethis Africa Finance Ltd (“AAF”), a European fund co-managed by the Edmond de Rothschild Group (Paris), whereby AAF has acquired a 17.1% stake into CFL end of February. With an investment capacity of US\$ 530M dedicated to Sub-Saharan Africa and the region, AAF’s focus is mainly on the financial services sector. The expertise of both management teams in financial services together with their respective financial resources will enable CFL to pursue its regional development.
- CIEL Limited increased its stakes in two Mauritian companies with high growth potential:
 - Medical & Surgical Centre Limited (“MSCL”), in which CIEL Healthcare Ltd, a wholly owned subsidiary of CIEL Limited, has increased its shareholding from 44.93% to 58.60% following a mandatory takeover offer. Since March 2015, MSCL is now accounted for as a subsidiary company.
 - Sun Resorts Ltd of which CIEL Limited now owns 59.79% of the share capital.

Investment Portfolio Allocation as at 31 March 2015

The investment portfolio increased by Rs 1,685m over the quarter driven by additional investment in Sun Resorts (Rs 932m) and The Medical & Surgical Centre (Rs 137m) together with portfolio revaluation (Rs 616m)



Group Profit before Exceptional Items and Tax

	UNAUDITED 9 Months 31 Mar 2015	UNAUDITED 9 Months 31 Mar 2014	PROFORMA 9 Months 31 Mar 2014	UNAUDITED Quarter 31 Mar 2015	UNAUDITED Quarter 31 Mar 2014	PROFORMA Quarter 31 Mar 2014
	Rs'm	Rs'm	Rs'm	Rs'm	Rs'm	Rs'm
Textile	539	454	454	130	123	123
Agro & Property	110	44	56	20	(36)	(36)
Hotels & Resorts	239	64	88	97	59	24
Finance	631	9	482	253	17	170
Healthcare	12	5	10	4	3	4
CIEL - Holding Company	(13)	(19)	(19)	(34)	(35)	(35)
Group Elimination	(70)	(161)	(97)	(1)	(10)	(5)
Profit before Exceptional Items and Tax	1,448	396	974	469	121	245

For information purposes, an unaudited proforma breakdown of the profit before exceptional items and tax has been prepared using the Group structure in place as at 30 June 2014. The 20% stake held in Constance Hotels which has been disposed of in August 2014, has been excluded from the above proforma.

Interest Bearing Debt

	THE GROUP		THE COMPANY	
	UNAUDITED As at 31 Mar 2015	AUDITED As at 30 Jun 2014	UNAUDITED As at 31 Mar 2015	AUDITED As at 30 Jun 2014
	Rs'000	Rs'000	Rs'000	Rs'000
Net borrowings (Debt)	7,108,251	7,700,310	1,684,232	524,513
Equity	21,570,486	17,906,873	12,175,965	10,981,323
Gearing = Debt/(Debt + Equity)	24.8%	30.1%	12.2%	4.6%

Financial Overview

CIEL Group quarterly and year-to-date results show a marked improvement over last year. All of our five operating clusters have performed better. Profit attributable to ordinary shareholders stood at Rs 622.3m (2014: Rs 424.3m) for the nine months period to 31 March 2015.

The Company’s Net Asset Value per share has grown by 5% over the last quarter and by 11% since 1 July 2014 to reach Rs 8.00 as at end of March 2015.

Based on the performance achieved in the first nine months, CIEL Group foresees that its forthcoming results for the financial year 2015 will show significant improvement compared to financial year 2014.

Cluster Highlights

Textile

- CIEL Textile showed an improved profitability mainly driven by the performance of the woven operations despite the reduced sales recorded in the knitwear operations. Results for the full year should improve on last year.
- The Group remains focused on improving its operational performance through targeted sales initiatives and strategic measures.

Agro & Property

- Alteo’s sugar operations performed better than last year on account of higher volume and improved average sugar price at TPC Ltd, its Tanzanian sugar operation. On the local front, the situation is challenging for the growing and milling operations as a result of depressed sugar price and increased production cost. However sugar refinery operations are satisfactory.
- Property development improved results driven by increasing sales at Anahita Estates Ltd.
- On the regional development front, Alteo expects to finalise the acquisition of a 51% stake in Transmara Sugar Company Limited, a Kenyan company operating a sugar mill in the Transmara region.

Hotels & Resorts

- Improved performance at Sun Resorts Limited (“SRL”) as a result of an effective pricing and marketing strategy. SRL posted a 23.4% increase in market share in Mauritius, thus outperforming the industry for the third consecutive quarter.
- Profitability benefitting from a much improved operational performance with higher occupancy at all Mauritian resorts, and the positive contribution from its 50% shareholding in the Four Seasons Resort Mauritius at Anahita.
- Major renovation plans initiated with the closure of Le Touessrok Resort in April 2015 with a view to upgrade all its facilities to the Shangri-La standards. Upon re-opening, the hotel will be branded and re-launched as Shangri-La’s Le Touessrok Resort & Spa.
- Following the successful completion of its rights issue in February, SRL now enjoys a stronger financial structure from which to execute its medium to long-term strategy.
- With the reinforcement of its new brand identity and the execution of the business process reorganisation, SRL is consolidating its position and seeking to initiate the growth of its owned and managed portfolio under the “Sun Resorts” brand.

Financial Services

- Good performance of banking operations with both Bank One and BNI Madagascar posting improved results.
- MITCO, our fiduciary operations, recorded a double digit increase in profits for the nine months despite tough competition in the sector.
- The private equity arm of the cluster continues to perform well with Kibo Fund I entering into a divestment phase which should have a positive cash flow impact.

Healthcare

- MSCL posted improved performance over last year.
- CIEL Healthcare Ltd (“CHL”) is currently finalising discussions with financial partners, including International Finance Corporation (IFC), in order to increase its capital base so as to enable the company to execute its strategy. CHL’s objective is to build an integrated regional network of hospitals in Africa by owning and managing selected private hospitals across the Sub-Saharan region.
- CHL has signed a share purchase agreement for the acquisition of a majority stake in the leading provider of private medical services in Uganda. CHL expects to close the transaction in the forthcoming months subject to the fulfillment of certain conditions precedent.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

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14 May 2015

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UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP				THE COMPANY				
	9 Months 31 Mar 2015	9 Months 31 Mar 2014	Quarter 31 Mar 2015	Quarter 31 Mar 2014	9 Months 31 Mar 2015	9 Months 31 Mar 2014	Quarter 31 Mar 2015	Quarter 31 Mar 2014	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
Revenue	12,226,223	7,243,888	3,769,285	2,227,653	73,215	54,592	111	1,145	
Earnings Before Interests, Taxation, Depreciation and Amortisation (EBITDA)	2,042,947	640,852	671,670	192,901	15,220	13,631	(17,338)	(17,420)	
Depreciation and amortisation	(509,656)	(162,746)	(173,706)	(58,562)	-	-	-	-	
Earnings Before Interests and Taxation	1,533,291	478,106	497,964	134,339	15,220	13,631	(17,338)	(17,420)	
Finance costs	(304,077)	(93,408)	(104,597)	(42,108)	(28,265)	(32,144)	(17,126)	(17,700)	
Share of results of joint ventures net of tax	60,136	12,285	32,908	12,285	-	-	-	-	
Share of results of associates net of tax	158,245	(1,037)	42,790	16,957	-	-	-	-	
	1,447,595	395,946	469,065	121,473	(13,045)	(18,513)	(34,464)	(35,120)	
Exceptional items *	(8,347)	319,072	85,926	160,737	176,863	95,751	-	95,751	
Profit/ (loss) before taxation	1,439,248	715,018	554,991	282,210	163,818	77,238	(34,464)	60,631	
Taxation	(226,925)	(80,148)	(68,917)	(25,058)	100	(34)	-	(19)	
Profit/ (loss) for the period	1,212,323	634,870	486,074	257,152	163,918	77,204	(34,464)	60,612	
Other comprehensive income for the period	838,001	(43,067)	624,321	6,969	1,100,531	712,175	583,972	67,248	
Total comprehensive income for the period	2,050,324	591,803	1,110,395	264,121	1,264,449	789,379	549,508	127,860	
Profit/ (loss) attributable to:									
Owners of the Parent	622,300	424,262	279,363	208,947	163,918	77,204	(34,464)	60,612	
Non-controlling interests	590,023	210,608	206,711	48,205	-	-	-	-	
	1,212,323	634,870	486,074	257,152	163,918	77,204	(34,464)	60,612	
Total comprehensive income attributable to:									
Owners of the Parent	1,062,837	398,320	604,674	217,369	1,264,449	789,379	549,508	127,860	
Non-controlling interests	987,487	193,483	505,721	46,752	-	-	-	-	
	2,050,324	591,803	1,110,395	264,121	1,264,449	789,379	549,508	127,860	
Earnings/ (loss) per share	Rs	0.41	0.38	0.18	0.20	0.11	0.07	(0.02)	0.06
Weighted average no. of ord shares for EPS Calculation	000	1,521,845	1,125,766	1,522,368	1,067,264	1,521,845	1,125,766	1,522,368	1,067,264

* Exceptional item at Group level, during the current period, relate to restructuring, branding and transaction costs associated with Sun Resorts' transaction with Shangri-La and gain on remeasurement of equity shareholding in The Medical and Surgical Centre Ltd. At Company level, the exceptional item relates to the profit on disposal of the 20% stake in Constance Hotel Services.

CONDENSED STATEMENT OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	UNAUDITED As at 31 Mar 2015	AUDITED As at 30 Jun 2014	UNAUDITED As at 31 Mar 2015	AUDITED As at 30 Jun 2014
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Property, plant and equipment	15,043,972	14,262,323	-	-
Investment properties	1,084,136	1,083,451	-	-
Intangible assets	2,406,487	1,841,872	-	-
Investment in financial assets	6,211,734	5,185,280	13,767,306	11,273,881
Leasehold rights and land prepayments	196,400	194,715	-	-
Other non-current assets	215,812	322,523	110,503	66,105
Current assets	12,571,750	11,945,339	94,695	149,478
Non-current assets classified as held for sale	46,960	462,907	-	414,275
Total non-specific banking assets	37,777,251	35,298,410	13,972,505	11,903,739
Total specific banking assets	10,019,146	8,781,633	-	-
TOTAL ASSETS	47,796,397	44,080,043	13,972,505	11,903,739
EQUITY AND LIABILITIES				
Capital and reserves				
Owners' interests	13,344,401	12,085,283	12,175,965	10,981,323
Non-controlling interest	8,226,085	5,821,590	-	-
Current liabilities	8,055,806	7,971,179	1,788,540	914,416
Non-current liabilities	4,885,494	5,679,545	8,000	8,000
Specific banking liabilities *	13,284,611	12,522,446	-	-
TOTAL EQUITY AND LIABILITIES	47,796,397	44,080,043	13,972,505	11,903,739
NET ASSET VALUE PER SHARE Rs	8.77	7.95	8.00	7.22
NO OF SHARES IN ISSUE 000	1,522,450	1,521,084	1,522,450	1,521,084

* Specific banking liabilities relate to deposits from customers of BNI Madagascar

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

THE GROUP	Stated Capital	Redeemable Restricted A Shares	Treasury Shares	Revaluation & Other Reserves	Retained Earnings	Total	Non Controlling Interests	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at 1 July 2014	4,246,423	39,233	(270,999)	2,229,945	5,840,681	12,085,283	5,821,590	17,906,873
Total comprehensive income for the period	-	-	-	440,537	622,300	1,062,837	987,487	2,050,324
Dividends	-	-	-	-	(76,116)	(76,116)	(43,567)	(119,683)
Effect of change in ownership	-	-	-	(47,554)	322,610	275,056	595,424	870,480
Other movements	1,931	-	6,184	42,852	(53,625)	(2,659)	865,151	862,492
Balance at 31 March 2015	4,248,354	39,233	(264,815)	2,665,779	6,655,850	13,344,401	8,226,085	21,570,486
Balance at 1 July 2013	822,665	-	-	3,626,236	1,995,110	6,444,011	-	6,444,011
Total comprehensive income for the period	-	-	-	(25,942)	424,262	398,320	193,483	591,803
Effect of change of associate to subsidiary	-	-	-	(18,075)	40,554	22,479	1,867,397	1,889,876
Issue of Redeemable Restricted A Shares	-	39,233	-	-	(40,000)	(767)	-	(767)
Share buy back	-	-	(270,999)	-	-	(270,999)	-	(270,999)
Dividends	-	-	-	-	(30,703)	(30,703)	(40,140)	(70,843)
Effect of Amalgamation	1,423,758	-	-	364,805	1,944,346	3,732,909	168,695	3,901,604
Balance at 31 March 2014	2,246,423	39,233	(270,999)	3,947,024	4,333,569	10,295,250	2,189,435	12,484,685
THE COMPANY	Stated Capital	Redeemable Restricted A Shares	Treasury Shares	Revaluation & Other Reserves	Retained Earnings	Total		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000		
Balance at 1 July 2014	4,246,423	39,233	(270,999)	4,499,099	2,467,567	10,981,323		
Total comprehensive income for the period	-	-	-	1,100,531	163,918	1,264,449		
Employee share option scheme	1,931	-	6,184	(1,792)	-	6,323		
Dividends	-	-	-	-	(76,116)	(76,116)		
Other movements	-	-	-	-	(14)	(14)		
Balance at 31 March 2015	4,248,354	39,233	(264,815)	5,597,838	2,555,355	12,175,965		
Balance at 1 July 2013	822,665	-	-	2,732,616	313,841	3,869,122		
Total comprehensive income for the period	-	-	-	712,175	77,204	789,379		
Issue of Redeemable Restricted A Shares	-	39,233	-	-	(40,000)	(767)		
Share buy back	-	-	(270,999)	-	-	(270,999)		
Dividends	-	-	-	-	(30,703)	(30,703)		
Effect of Amalgamation	1,423,758	-	-	(277,027)	2,222,592	3,369,323		
Balance at 31 March 2014	2,246,423	39,233	(270,999)	3,167,764	2,542,934	7,725,355		

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	THE GROUP		THE COMPANY	
	9 Months 31 Mar 2015	9 Months 31 Mar 2014	9 Months 31 Mar 2015	9 Months 31 Mar 2014
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash from operating activities	1,404,608	676,071	166,181	372,064
Net cash used in investing activities	(488,108)	(1,255,047)	(1,011,148)	(694,659)
Net cash from/ (used in) financing activities	(143,130)	(307,934)	(254,753)	(368,048)
Increase/(Decrease) in cash and cash equivalents	773,370	(886,910)	(1,099,720)	(690,643)
Movement in cash and cash equivalents				
At 1 July	3,520,181	(45,790)	(500,513)	(45,790)
Effect of Amalgamation	-	(338,897)	-	(391,716)
Increase/(Decrease)	773,370	(886,910)	(1,099,720)	(690,643)
At 31 March	4,293,551	(1,271,597)	(1,600,233)	(1,128,149)
Cash and cash equivalents	4,864,753	-	-	-
Banking segment	(571,202)	(1,271,597)	(1,600,233)	(1,128,149)
Non-banking segment	4,293,551	(1,271,597)	(1,600,233)	(1,128,149)

The unaudited condensed financial statements are issued pursuant to the listing rule 12.20 and the Securities Act 2005. The Board of Directors of CIEL Limited accepts full responsibility for the accuracy of the information contained in this report. Copies of the unaudited condensed financial statements are available, free of charge, upon request from the Company Secretary, 5th Floor, Ebène Skies, rue de l'Institut, Ebène. The statement of direct and indirect interests of Insiders, pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, is available free of charge, upon request from the Company Secretary, 5th Floor, Ebène Skies, rue de l'Institut, Ebène.