CIEL Limited reports financial results for the first quarter ended 30 September 2017

Financial Highlights

At MUR 5.47bn, year-on-year Group revenue growth was 12%, while Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') stood at MUR 402M, down 17% compared to prior year.

The Net Asset Value ('NAV') per share of the Company was MUR 8.91 as at 30 September 2017, a slight decrease of 5% over 30 June 2017 explained by the reduction in the NAV per share of Sun Limited ('SUN') and the fall in the share price of Alteo Limited.

During the period under review, the Group recorded an after-tax loss of MUR 25M (2016: Profit after Tax of MUR 102M) owing to the following challenges faced by CIEL's five clusters:

- The Textile cluster's profitability has been reduced this quarter compared to prior year mainly due to competitive pressure and difficult retail markets which have affected sales margins. The Woven segment has also been partially impacted by negative foreign exchange rate movements while the Knits and Knitwear segments' results are in line with prior year. CIEL Textile ('CTL') continues to anticipate market changes and is committed to maintaining its competitive edge.
- In the Hotels & Resorts cluster, SUN is encouraged by the growth in revenue driven by an improved rate positioning this quarter despite the shoulder season. The adverse effects of the late re-opening of Kanuhura Resort and Spa, Maldives and the two-month closure of La Pirogue have however impacted this quarter. With positive guest feedback for La Pirogue and Kanuhura and good forward-bookings overall, SUN expects the coming months to show improved results though the progress of Kanuhura will take longer than anticipated to materialise.
- The Finance cluster's banking activities maintained good results this quarter though lower than the corresponding period last year. The fiduciary operations of the cluster - MITCO Group – have also recorded a lower performance this quarter.
- The Agro & Property cluster's results have been reduced primarily owing to lower sugar cane availability in Kenya and a delayed harvest at the Mauritian operations of Alteo Limited coupled with low sucrose and price levels. This fall was alleviated by a positive contribution from TPC Limited, Tanzania and a favourable gain on sale of land at Ferney Limited during the quarter.
- The Healthcare cluster includes the results of Wellkin Hospital ('Wellkin') within the Medical and Surgical Centre Limited Group which have weighed on the cluster's performance as anticipated. The Ugandan operations (International Medical Group 'IMG') have also been impacted by the lower performance of its insurance business arm due to higher claims.

Group loss attributable to ordinary shareholders was MUR 12M (2016: Profit attributable to ordinary shareholders of MUR 11M) for the quarter under review – a limited fall owing to CIEL's higher stake of 88.48% in CTL.

The results of the first quarter of the financial year, though cyclically subdued by the low seasonality of the hotel sector, have also been negatively impacted by the lower profitability of CTL and Wellkin Hospital's operational losses.

CIEL is nonetheless expected to post an improved financial performance over the coming quarters.

KEY FIGURES

GROUP CONSOLIDATED REVENUE	GROUP EBITDA	GROUP (LOSS)/ PROFIT AFTER TAX	(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS	COMPANY NAV PER SHARE
▲ 5.48	▼ 402	▼ (25)	▼ (12)	▼ 8.91
MUR bn	MUR M	MUR M	MUR M	MUR
MUR 4.89 bn - 30 September 2016	MUR 483 M - 30 September 2016	MUR 102 M - 30 September 2016	MUR 11 M - 30 September 2016	MUR 9.37 - 30 June 2017

CIEL at a glance

FIRST QUARTER RESULTS

		Quarter ended 30 September		
		2017	2016	Variance
Group Income Statement				
Revenue	**MUR'M**	**5,475**	4,886	**12%**
Textile	MUR'M	**3,177**	3,027	5%
Hotels and Resorts	MUR'M	**1,224**	1,032	19%
Finance	MUR'M	**506**	463	9%
Agro and Property	MUR'M	**19**	19	0%
Healthcare	MUR'M	**552**	345	60%
CIEL - Holding Company	MUR'M	**46**	10	360%
Group Elimination	MUR'M	**(49)**	(10)	(390%)
EBITDA[1]	**MUR'M**	**402**	483	**(17%)**
Textile	MUR'M	**218**	270	(19%)
Hotels and Resorts	MUR'M	**(50)**	(37)	(35%)
Finance	MUR'M	**194**	200	(3%)
Agro and Property	MUR'M	**34**	12	183%
Healthcare	MUR'M	**17**	48	(65%)
CIEL - Holding Company	MUR'M	**(8)**	42	(119%)
Group Elimination	MUR'M	**(3)**	(52)	94%
(Loss)/Profit after tax	**MUR'M**	**(25)**	102	**(125%)**
Textile	MUR'M	**110**	155	(29%)
Hotels and Resorts	MUR'M	**(268)**	(279)	4%
Finance	MUR'M	**146**	167	(13%)
Agro and Property	MUR'M	**53**	66	(20%)
Healthcare	MUR'M	**(30)**	19	(258%)
CIEL - Holding Company	MUR'M	**(31)**	20	(255%)
Group Elimination	MUR'M	**(5)**	(46)	89%

[1] - Earnings before interest, tax, depreciation and amortisation

		30-Sep	30-Jun	
		2017	**2017**	**Variance**
Statement of Financial Position				
Group total assets	MUR'M	**63,605**	63,066	1%
Total portfolio	MUR'M	**16,745**	15,282	10%
Company net asset value per share	MUR	**8.91**	9.37	(5%)

Group Results – First Quarter September 2017 Against First Quarter September 2016 — % Movement

Revenue — 12% ↑

Group revenue for the quarter increased by 12% from MUR 4.89bn to MUR 5.48bn primarily due to the consolidation of Wellkin in the Healthcare cluster, an increase in the performance indicators of SUN Group hotels and resorts and a slight increase in the turnover of the Textile and Finance clusters.

Earnings before Interests, Taxation, Depreciation and Amortization (EBITDA) — 17% ↓

EBITDA for the quarter fell by 17% due to reduced margins in the Woven segment of the Textile cluster, the operations of Wellkin in the Healthcare cluster, and the Hotels and Resorts cluster affected by the delayed re-opening of Kanuhura and La Pirogue's closure.

Depreciation and Amortisation — 29% ↑

The quarter-on-quarter increase is a direct consequence of the higher asset base in the Hotels & Resorts cluster, the consolidation of Wellkin in the Healthcare cluster and the amortisation of a new banking software at BNI level in the Finance cluster.

Finance Costs — 37% ↑

Finance costs were driven up mainly by additional financing contracted with regards to the renovation of Kanuhura and La Pirogue and to a lesser extent by further funding requirements in the Textile cluster.

Share of Results of Joint Venture Net of Tax — 15% ↑

The increase is mainly attributable to the improvement in the operations of Anahita Golf Spa & Resort.

Share of Results of Associates Net of Tax — 51% ↓

The decrease is primarily driven by the lower results of Alteo Limited in the Agro & Property cluster driven by operational challenges in Kenya and a lower sucrose and price level in Mauritius.

Profit Before Tax — 111% ↓

Profit before Tax fell from MUR 150M to a loss of MUR 16M during the quarter under review due to the reduced contribution from the Woven segment of CTL and the Healthcare cluster.

Taxation — 82% ↓

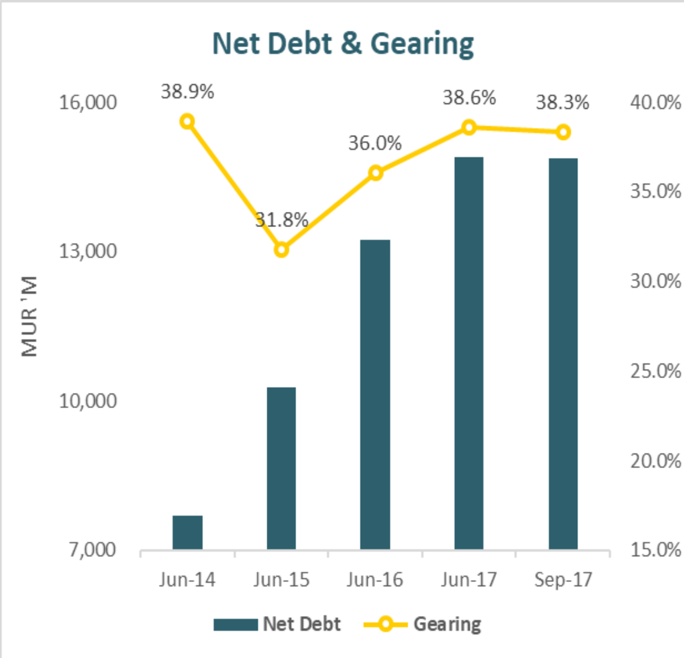
The fall in tax charge related mainly to the profitability of the Textile operations.

Profit/(Loss) after Tax and Profit/(Loss) Attributable

Group after-tax loss stood at MUR 25M (2016: Profit after Tax of MUR 102M) and loss attributable to owners of the parent company was MUR 12M (2016 – Profit attributable to owners of the parent of MUR 11M) for the quarter under review.

GROUP RESULTS

GROUP NET DEBT AND GEARING



Slight improvement in gearing ratio following SUN's successful completion the rights issue and the private placement end of August 2017 totalling MUR 1.87bn.

CIEL has successfully raised MUR 1.2bn of short term notes rated as CARE MAU A1+ by CARE Ratings at the weighted average yield of 2.7% during the quarter. It has been applied to finance:

(i) the subscription by CIEL of 11,470,394 new ordinary shares of SUN under the latter's proposed rights issue and

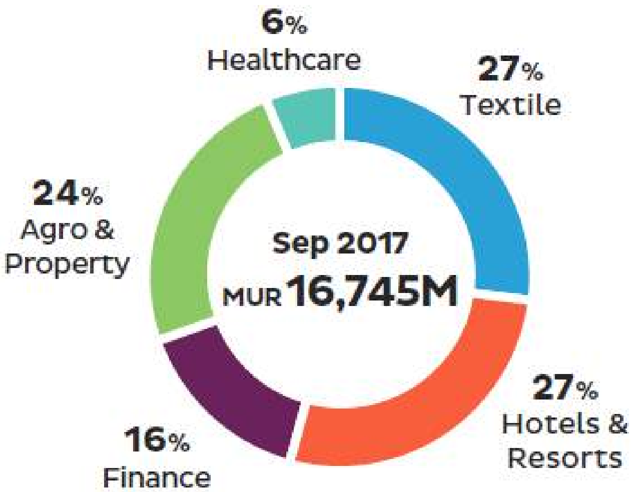
(ii) the cash component of the voluntary offer made by CIEL as per its Offer Document dated 16 May 2017 to the shareholders of CIEL Textile Limited.

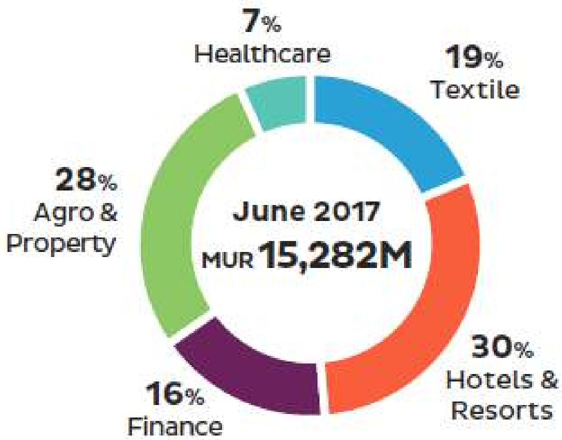
Performance improvement measures continue to be implemented across all clusters to help improve the Group's cash position, the consolidated gearing ratio and net indebtedness.

COMPANY RESULTS

CIEL's Net Asset Value ('NAV') per share fell from MUR 9.37 (30 June 2017) to MUR 8.91 (30 September 2017)

COMPANY INVESTMENT PORTFOLIO





- Listed subsidiaries are valued on the higher of the NAV or market price.
- The Company's investment portfolio has grown by 10% from MUR 15,282M in June 2017 to MUR 16,745M in September 2017 following the Voluntary Takeover Scheme in CTL.
- The stake of CIEL Limited in CTL rose from 56.31% to 88.48%. CTL has been valued at the latest transaction price of MUR 50 at the end of the quarter – no change over 30th of June 2017.
- Alteo Limited's (Agro & Property cluster) share price fell 5 percentage points from MUR 33.80 as at 30 June 2017 to MUR 32.00 as at 30 September 2017.
- The Finance cluster has slightly increased in value due to an improvement in the NAV of Bank One.
- There has been a modest improvement in the Healthcare cluster's value owing to improved market multiples applied to the valuation of its subsidiaries.
- Despite the investment of MUR 447M in SUN through a Rights issue, SUN's portfolio valuation has remained stable due to a dilution effect following the entry of Dentressangle Initiatives SAS through a Private Placement and SUN's operating losses incurred during the period under review.

BUSINESS CLUSTER REVIEW

The unaudited condensed financial statements are available on www.cielgroup.com/investor-relations

Textile

Main investments: **CIEL Textile** – 88.48% **Three clusters** – Vertically Integrated (Floréal Knitwear, Tropic Knits & Aquarelle Group)

QUARTER RESULTS

		Quarter ended 30 September		
		2017	2016	Variance
Income Statement				
Revenue	MUR'M	3,177	3,027	5%
Profit after tax	MUR'M	110	155	-29%

- The Woven segment's revenue line has improved by 6% and remains the main contributor to the Group's revenues. However, its profit after tax for the quarter is lower than that of September 2016 mainly due to the increased pressure on margins generated by a competitive retail market and, to a lesser extent, due to unfavourable foreign exchange movements.
- The Knits and Retail segments' performance remain stable compared to last year's September quarter.
- Looking ahead, order books stay steady but sales margins are likely to be lower.
- In order to adapt to evolving market conditions, CIEL Textile's objective remains to enhance its competitivity and react timeously to external factors.

Hotels and Resorts

Main investments: **Sun Limited** – 50.10%, **Anahita Golf & Spa Resort** - 50%

QUARTER RESULTS

		Quarter ended 30 September		
		2017	2016	Variance
Income Statement				
Revenue	MUR'M	1,224	1,032	19%
(Loss) after tax	MUR'M	(268)	(279)	4%

- Revenue has grown by 19% owing to an increase of 11% in average daily rate (ADR) of SUN's resorts despite being in low season. Additionally, other performance indicators of SUN such as revenue per available room (RevPAR) and total revenue per available room (TRevPAR) rose by 9% and 7% respectively compared to the quarter of 2016.
- However, the negative impact of the closure of La Pirogue for its final renovation phase during most of the quarter and the underperformance of Kanuhura, Maldives since its re-launch have resulted in an after-tax loss of MUR 259M in the September 2017 quarter at SUN.
- Finance costs were up 8% compared to the same period last year due to higher renovation-related indebtedness contracted for Kanuhura and La Pirogue.
- As expected, SUN Group has achieved a reduction in the gearing ratio from 55% as at 30 June 2017 to 46.8% at the end the September 2017 quarter year following the successful completion of the rights issue and the private placement of MUR 1.87bn.
- The feedback from guests on the refurbishment of La Pirogue has been very encouraging and forward-looking. SUN Group expects the resort will remain amongst the top of the four-star hotel category.
- Kanuhura has been facing competitive pressure and difficulties since re-opening. The rate strategy devised for Kanuhura is maintained as customer feedback is especially good. The resort's results will, however, take longer than expected to improve.
- Forward-bookings for the December 2017 quarter look promising and show high ADR growth as tourist arrivals in Mauritius keeps on growing steadily. SUN's next quarter should show important progress now that all resorts are operational.
- Anahita Golf & Spa Resorts' losses for this low season was reduced from MUR 15M for the period ending September 2016 to MUR 9M in this corresponding period.

Financial Services

Main investments: **CIEL Finance** – 75.1% [**Bank One** - 50%, **BNI Madagascar** – 31.8% *(effective holding through controlling subsidiary)*, **MITCO Group** – 58.82%, **IPRO Group** – 95.5%, **KIBO Capital Partners** – 50%, **The KIBO Fund LLC** – 39.67%]

QUARTER RESULTS

		Quarter ended 30 September		
		2017	2016	Variance
Income Statement				
Revenue	MUR'M	506	463	9%
Profit after tax	MUR'M	146	167	-13%

- The Finance cluster's revenue up 9% over the same period in prior year mainly explained by the better performance of BNI Madagascar which has recorded a 13% increase in net interest income and other income relating to its commercial activities. However, profit after tax is lower than last year due to external factors weighing on the banking sector.

- BNI Madagascar has posted improved net banking income but the growth has been negatively affected by adverse foreign exchange fluctuations. Also, the lagging effects of the implementation of Core Banking System from March to August 2017 on sales and leads generation have impacted the September 2017 quarter but the outlook for the next quarter is positive following the smooth running of the system since September 2017. Additionally, BNI has launched the 'bank to wallet' and 'wallet to bank' services during the last quarter, in cooperation with MVola – the money arm of Telma, Madagascar's largest mobile operator. This coupled with multiple initiatives on the lending side is expected to impact positively on retail business generation over the coming months.

- Bank One continues with the implementation of its strategic plan and despite the lower results this quarter over the corresponding period in prior year, the second quarter should show better results, thanks to a healthy pipeline and a renewed momentum on virtually all business lines.

- MITCO's revenues have slowed down due to a more competitive environment. Also, MITCO is implementing a new software that will improve efficiency, productivity and reporting through better analytical tools and better monitoring of activities.

Agro and Property

Main investments: Alteo Limited - 20.96%, **Ferney Limited** - 71.06%, **CIEL Properties** - 100%, **Ebene Skies** - 100%

QUARTER RESULTS

		Quarter ended 30 September		
		2017	2016	Variance
Income Statement				
Revenue	MUR'M	19	19	0%
Profit after tax	MUR'M	53	66	-20%

The results of the Agro and Property cluster were driven down by the lower performance of the Kenyan and Mauritian operations of its associated undertaking – Alteo Limited.

ALTEO

Geographic and sector-specific results are further detailed below:

Agri and Sugars

The lack of sugar cane in Kenya has affected the results of Transmara Sugar Company Ltd ('TSCL') this quarter compared to prior year where the company had a back-log of over-mature sugar cane.

Despite the set of measures announced by the government in Mauritius in anticipation of the serious challenges facing the export sector, the results for the sugar cluster in Mauritius were adversely affected by a delay in the harvest, coupled with low sucrose and price levels.

Tanzanian sugar operations - TPC Limited ('TPC') - achieved excellent results attributable to average sugar prices and enhanced sales volumes.

The outlook for the coming quarter remains unchanged as the unavailability of sugar in Kenya and the conditions mentioned above in Mauritius expect to continue. Tanzania should, on the other side, have a good crop but not as high as last year's outstanding production.

Energy

On the energy front, revenue was lower due to a planned maintenance stop at Consolidated Energy Co Ltd which caused a lesser offtake and an increase in maintenance expenses compared to prior year. However, the contractual tariff indexation is expected to help Alteo Energy Ltd as from January 2018.

Property and hospitality

The results of the quarter were negatively influenced by the low property turnover recognition as Anahita's northern parcels are still at an early stage of completion. The first sales are planned for the end of the financial year.

The higher occupancy rate of Anahita Golf & Spa Resort positively influenced this segment's performance. This trend is expected to continue.

CIEL's share of profit from Alteo fell from MUR 62M in the September quarter 2016 to MUR 27M in the quarter September 2017.

Healthcare

Main investments: **CIEL Healthcare** – 53.03% [**The Medical and Surgical Centre Ltd (MSCL)** – 58.60%, **International Medical Group Ltd (IMG) (Uganda)** – 90.10%, **Hygeia Nigeria Limited (HNL) (Nigeria)** – 22.81%, **Laboratoire International de Bio Analyse (LIBA)** – 35%]

QUARTER RESULTS

		Quarter ended 30 September		
		2017	2016	Variance
Income Statement				
Revenue	MUR'M	552	345	60%
Profit/(Loss) after tax	MUR'M	(30)	19	-258%

- The Healthcare cluster's results include the newly acquired (January 2017) Wellkin Hospital ('Wellkin') and, therefore, cannot be compared directly with last year's results.
- The 60% increase in revenue can be primarily attributed to the consolidation of Wellkin in Medical and Surgical Centre Ltd's ('MSCL') figures.
- The drop in the profitability reflects the expected performance of the recently acquired Wellkin and the reduced profitability of IMG, Uganda.
- Despite the stable performance of the clinics, International Medical Group ('IMG') has been impacted by the lower performance of its insurance business arm. With a higher claims ratio and a change in the way insurance premiums are accounted for this year, profits have been affected.
- The results of Hygeia Nigeria Limited ('HNL') have slightly improved compared to last year owing to the receding effect of foreign exchange losses and more stable revenue lines.

About CIEL:

CIEL Limited is a leading diversified investment company in Mauritius, operating five business clusters (Agro-Industry and Property, Textile, Hotels and Resorts, Financial services and Healthcare) spread across Mauritius, Africa and Asia with 30,000 employees. Since its beginnings in agriculture in 1912, the pioneering group is continuously exploring new avenues of development and international expansion. In 2014, following the merger of one of its investment companies, CIEL Investment Ltd, into the Group's holding company, Deep River Investment Ltd, the group was renamed CIEL Limited. It has now acquired an international dimension not only at operational level but also at shareholder level, while the ultimate control of the company remains with local shareholders. With a market capitalisation of about MUR 11.8bn (USD 345M) as at 30 June 2017 and a consolidated audited turnover of MUR 20.26bn (USD 578M) for its financial year ended 30 June 2017, CIEL is one of the largest listed Mauritian companies.

For more information, visit www.cielgroup.com

CIEL Annual Report 2016 Website: http://annual-report.cielgroup.com/2016

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Appendix

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2017

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

		THE GROUP	
		Quarter ended	
		30 Sep 2017	30 Sep 2016
		MUR '000	MUR '000
Revenue		5,474,892	4,885,748
Earnings Before Interests, Taxation, Depreciation and Amortisation (EBITDA)		401,687	482,532
Depreciation and amortisation		(281,612)	(218,712)
Earnings before Interests and Taxation		120,075	263,820
Finance costs		(187,019)	(136,554)
Share of results of joint ventures net of tax		23,993	20,789
Share of results of associates net of tax		26,601	54,026
		(16,350)	202,081
Non-recurring items*		-	(52,305)
(Loss)/Profit before taxation		(16,350)	149,776
Taxation		(8,881)	(48,128)
(Loss)/Profit for the period		(25,231)	101,648
(Loss)/Profit attributable to:			
Owners of the Parent		(11,860)	11,106
Non controlling interests		(13,371)	90,542
		(25,231)	101,648
(Loss)/earnings per share	MUR	(0.01)	0.01
Weighted average no. of ord shares for EPS Calculation	(000)	1,586,213	1,525,142

	THE GROUP	
	Period ended	
	30 Sep 2017	30 Sep 2016
TOTAL COMPREHENSIVE INCOME	MUR '000	MUR '000
(Loss)/Profit for the period	(25,231)	101,648
Other comprehensive (loss)/income for the period	(174,021)	18,142
Total comprehensive (loss)/income for the period	(199,252)	119,790
Attributable to:		
Owners of the Parent	(92,486)	748
Non-controlling interests	(106,766)	119,042
	(199,252)	119,790

* At 30 September 2016, non-recurring items relate to closure, marketing launch, restructuring, branding and transaction costs associated with Sun Limited

CONDENSED STATEMENTS OF FINANCIAL POSITION

		THE GROUP	
		30 Sep 2017	30 June 2017
ASSETS		MUR '000	MUR '000
Property,plant and equipment		24,061,091	24,086,146
Investment properties		1,571,080	1,575,640
Intangible assets		3,557,381	3,600,635
Investment in Financial assets		6,444,789	6,430,010
Leasehold rights and land prepayments		416,666	421,612
Other non current assets		162,657	171,082
Non-current assets		36,213,664	36,285,125
Current assets		13,903,100	13,843,111
Non-current assets classified as held for sale		19,693	49,812
Total non specific banking assets		50,136,457	50,178,048
Total specific banking assets		13,468,869	12,888,239
TOTAL ASSETS		63,605,326	63,066,287
EQUITY AND LIABILITIES			
Capital and Reserves			
Owners' interests		14,046,488	13,904,426
Non controlling interest		9,901,771	9,759,140
Current liabilities		10,949,187	10,556,426
Non current liabilities		12,319,844	12,869,555
Specific banking liabilities*		16,388,036	15,976,740
TOTAL EQUITY AND LIABILITIES		63,605,326	63,066,287
NET ASSET VALUE PER SHARE	MUR	8.56	9.11
NO OF SHARES IN ISSUE	'000	1,640,603	1,526,878
NET INTEREST BEARING DEBT		14,863,172	14,901,126
Gearing = Debt/(Debt+Equity)		38.3%	38.6%

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

CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP	
	30 Sep 2017	30 Sep 2016
	MUR '000	MUR '000
Net cash from operating activities	**306,470**	806,336
Net cash (used in)/from investing activities	**(1,074,536)**	(724,294)
Net cash from/(used in) financing activities	**1,146,794**	560,742
Increase/(Decrease) in cash and cash equivalents	**378,728**	642,784
Movement in cash and cash equivalents		
At 1 July	**3,978,471**	3,186,477
Increase	**378,728**	642,784
Effect of foreign exchange	**(71,631)**	162,346
At 30 September	**4,285,568**	3,991,607
Cash and cash equivalents:		
Banking segment	**4,333,178**	5,194,344
Non banking segment	**(47,610)**	(1,202,737)
	4,285,568	3,991,607

CONDENSED STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Owner's Interest Total	Non-Controlling Interests	Total Equity
	MUR '000	MUR '000	**MUR '000**
Balance at 1 July 2017	13,904,427	9,759,141	23,663,568
Total comprehensive (loss) for the period	(92,486)	(106,766)	(199,252)
Issue of shares	818,876	-	818,876
Issue of shares to non-controlling interest	-	858,626	858,626
Effect of change in ownership	(588,159)	(606,003)	(1,194,162)
Other movements	3,828	(3,228)	600
Balance at 30 September 2017	**14,046,486**	**9,901,770**	**23,948,256**
Balance at 1 July 2016	13,834,269	9,749,787	23,584,056
Total comprehensive income for the period	748	119,042	119,790
Effect of change in ownership	(10,752)	(10,398)	(21,150)
Other movements	3,094	-	3,094
Balance at 30 September 2016	**13,827,359**	**9,749,787**	**23,685,790**