The Group’s overall financial performance this year was negatively impacted by very low world sugar prices. This contributed to a substantial operating loss in our Cane cluster, which was mitigated by the positive performance of the Brands, Power, and Property and Leisure clusters and our Associates. We believe that the longer-term outlook for the global sugar market remains positive, and that the Group’s strategy of optimising value from its assets across the cane value chain is providing the right platform for long-term growth.

**GROUP PROFITS CONTINUE TO BE IMPACTED BY LOWER SUGAR PRICES**

Group profit for the year stood at MUR 233.5 million, a 4.8% reduction over last year, after accounting for taxation of MUR 56.3 million. This tax compares to MUR 15.2 million restated in 2017, which included a deferred tax credit of MUR 32.8 million attributable to a drop in the income tax rate of subsidiaries engaged in the export of goods. Earnings per share increased to MUR 0.53, up by 15 cents on the previous year, driven mainly by improved associates’ results.

**STRONG BALANCE SHEET MAINTAINED AND DIVIDENDS PAID**

The Group invested an additional MUR 282.6 million in property, plant and equipment to deliver substantial long-term value from the development of its proposed investment properties within the Smart City and to its land holdings in the north of Mauritius. The Company’s efforts in improving the efficiency of its core activities, and in adding value to its land holdings in the north of Mauritius. The Company’s efforts in improving the efficiency of its core activities, and in adding value to its land holdings in the north of Mauritius.

**PROSPECTS FOR 2019**

Terra remains focused on pursuing its strategy of investing in, and improving the efficiency of its core activities, and in adding value to its land holdings in the north of Mauritius. The Company’s efforts and attention remain dedicated to improving its EBITDA margin, increasing the overall Group return on equity (currently at 1.5%), and generating more free cash flow from its operations.

I wish to thank the Board and my colleagues on the executive and finance team for their dedication and guidance throughout the year, and from loans recovered of MUR 40.5 million, interest received (MUR 11.6 million) and dividends received (MUR 89.2 million).

The net cash used in financing activities amounted to MUR 222.2 million; this consisted mainly of paying dividends of MUR 310.7 million to Terra and the minority shareholders of its subsidiary companies, at much the same level as last year. Additional funds raised from financial institutions amounted to MUR 88.5 million.

After taking into consideration the above transactions, overall cash and cash equivalents increased by MUR 384.9 million to MUR 356.5 million.

Henri Harel
Group Chief Finance Officer
09 May 2019