

TERRA MAURICIA LTD

GROUP ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

GROUP ABRIDGED AUDITED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	RESTATED THE GROUP
	2018	2017
	MUR'M	MUR'M
ASSETS		
Non-current assets	16,601.2	15,903.6
Current assets	2,847.5	2,794.3
Non-current asset classified as held for sale	28.8	46.6
Total assets	19,477.5	18,744.5
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	13,774.6	13,258.5
Non-controlling interests	1,052.5	1,062.3
Total equity	14,827.1	14,320.8
Non-current liabilities	1,058.1	1,208.6
Current liabilities	3,559.0	3,207.6
Liabilities directly associated with non-current assets classified as held for sale	33.3	7.5
Total equity and liabilities	19,477.5	18,744.5

GROUP ABRIDGED AUDITED STATEMENTS OF PROFIT OR LOSS

	THE GROUP	RESTATED THE GROUP
	2018	2017
	MUR'M	MUR'M
Turnover	5,079.3	5,087.3
Profit before finance costs, exceptional item and share of results of associates	183.5	318.7
Finance costs	(97.6)	(100.4)
Share of results of associates	203.9	42.3
Profit before taxation	289.8	260.6
Taxation	(56.3)	(15.2)
Profit for the year	233.5	245.4
Profit attributable to:		
Owners of the parent	121.5	86.6
Non-controlling interests	112.0	158.8
	233.5	245.4

DATA PER SHARE

	2018	2017
	MUR	MUR
EARNINGS PER SHARE - MUR	0.53	0.38
NET ASSETS PER SHARE - MUR	60.54	58.27
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	THE GROUP
	2018	2017
	MUR'M	MUR'M
Profit for the year	233.5	245.4
Other comprehensive income for the year	585.1	27.7
Total comprehensive income for the year net of tax	818.6	273.1
Total comprehensive income attributable to:		
Owners of the parent	695.6	120.7
Non-controlling interests	123.0	152.4
	818.6	273.1

AUDITORS' REPORT

We have audited the financial statements of Terra Mauricia Ltd for the year ended December 31, 2018, 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 & Co
Chartered Accountants

NOTES

1. The abridged audited financial statements for the year ended December 31, 2018 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.

3. BRIEF REVIEW OF THE ACTIVITIES AND RESULTS

GROUP RESULTS
Group turnover for 2018 declined marginally by MUR 8 M to reach MUR 5,079 M (MUR 5,087 M in 2017), while Group profit after tax amounted to MUR 234 M compared to MUR 245 M for the previous year. Owners' interest increased by 4% to reach MUR 13,775 M, with a net asset value per share of MUR 60.54.

SUGAR
Sugar operations results were severely impacted by the low prevailing sugar price of MUR 8,800 per tonne (2017: MUR 11,000 per tonne) and by a reduced crop. As a result, growing and milling activities incurred total losses of MUR 326 M locally (2017: MUR 138 M). Our associate in Côte d'Ivoire also registered a disappointing year, and contributed only MUR 7 M (2017: MUR 64 M) to the cluster's results which posted an overall loss of MUR 319 M (2017: MUR 76 M).

ENERGY
The profit for the year of our energy cluster decreased to MUR 199 M (2017: MUR 215 M) mainly due to a reduction in the energy output produced from bagasse and also to increased repairs and maintenance expenses.

BRANDS
The increase in brands sales was associated with a shift in the product mix, resulting in lower overall unit margin levels, in a competitive trading environment. This, coupled with unforeseen non-recurring expenditures, led to a lower after-tax profit of MUR 84 M (2017: MUR 101 M).

PROPERTY & LEISURE
The property and leisure cluster continued growing its income base from land sales, renting and leisure activities and consultancy fees. The profit derived from that cluster amounted to MUR 181 M (2017: MUR 105 M). It must also be pointed out that we successfully obtained, in the second half of 2018, a Certificate for the development of our Beau Plan Smart City project.

OTHERS
The substantial improvement of this segment's profitability is attributable to higher bottom-line financial results from our associates, which generated a profit for the year of MUR 89 M, compared to a corresponding loss of MUR 100 M in 2017.

4. OUTLOOK

Although we are expecting a marginal increase in sugar prices in 2019, we are still waiting for bold measures to be implemented, as a matter of urgency, with a view to addressing the structural reform of the sugar industry. We expect our other clusters to perform satisfactorily this year. The property activities will continue to gain momentum in the medium term as we now pursue the implementation of real estate projects, mainly within the Beau Plan Smart City.

By order of the Board of Directors
Terra Services Ltd
Secretary

March 28, 2019

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, 2018						
- As previously reported	11,976.0	358.2	924.1	13,258.3	1,074.6	14,332.9
- Effect of changes in effective tax rate - as restated	-	(6.3)	6.5	0.2	(12.3)	(12.1)
- Effect of changes in accounting policies	-	-	(27.3)	(27.3)	-	(27.3)
Profit for the year	-	-	121.5	121.5	112.0	233.5
Other comprehensive income for the year	-	574.1	-	574.1	11.0	585.1
Deconsolidation of subsidiaries	-	-	(8.7)	(8.7)	(5.7)	(14.4)
Release of deferred tax on excess depreciation over historical cost depreciation	-	-	-	-	-	-
Transfers to retained earnings	-	20.7	(20.7)	-	-	-
Movement in reserves	-	53.5	-	53.5	-	53.5
Dividends	-	-	(193.4)	(193.4)	(117.3)	(310.7)
Consolidation adjustment	-	-	(3.6)	(3.6)	(9.8)	(13.4)
Balance as at December 31, 2018	11,976.0	1,000.2	798.4	13,774.6	1,052.5	14,827.1

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						
- as previously reported	11,976.0	298.8	1,032.0	13,306.8	1,003.7	14,310.5
- effect of changes in effective rate - As restated	-	(5.7)	5.4	(0.3)	(12.3)	(12.6)
Profit for the year	-	-	86.6	86.6	158.8	245.4
Other comprehensive income for the year	-	34.1	-	34.1	(6.4)	27.7
Release of deferred tax on excess depreciation over historical cost depreciation	-	1.0	-	1.0	-	1.0
Release on disposal of land	-	-	-	-	30.9	30.9
Movement in reserves	-	23.7	-	23.7	0.7	24.4
Dividends	-	-	(193.4)	(193.4)	(113.1)	(306.5)
Balance as at December 31, 2017	11,976.0	351.9	930.6	13,258.5	1,062.3	14,320.8

GROUP ABRIDGED AUDITED CASH FLOW STATEMENT

	THE GROUP	THE GROUP
	2018	2017
	MUR'M	MUR'M
Net cash from operating activities	553.0	246.5
Net cash used in investing activities	(25.9)	(440.5)
Net cash (used in)/from in financing activities	(222.2)	113.1
Increase/(decrease) in cash and cash equivalents	304.9	(80.9)
Movements in cash and cash equivalents		
At January 1,	51.6	136.3
Increase/(decrease)	304.9	(80.9)
Acquisitions through business combinations	-	2.6
Consolidation adjustment	-	(6.4)
At December 31,	356.5	51.6

SEGMENT INFORMATION

THE GROUP	Sugar	Energy	Brands	Property & Leisure	Others	adjustments	Group	Total
2018	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
External sales	835.7	1,450.6	2,410.9	179.0	203.1	-	5,079.3	
Segment (loss)/profit	(271.9)	235.0	91.2	171.4	49.7	(91.9)	183.5	
Share of results of associates	(3.7)	(0.3)	28.9	12.1	166.9	-	203.9	
(Loss)/profit after tax	(318.9)	199.1	83.7	180.7	88.9	-	233.5	

THE GROUP	Sugar	Energy	Brands	Property & Leisure	Others	adjustments	Group	Total
2017	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
External sales	1,089.9	1,340.0	2,285.4	171.8	200.2	-	5,087.3	
Segment profit	(99.3)	257.3	85.1	109.7	63.6	(97.7)	318.7	
Share of results of associates	49.8	(4.7)	30.6	-	(33.4)	-	42.3	
(Loss)/profit after tax	(75.7)	214.9	101.2	104.6	(99.6)	-	245.4	

	Sugar	Energy	Brands	Property & Leisure	Others	Total
December 31, 2018	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
December 31, 2018	8,921.9	2,094.2	1,960.1	3,077.0	3,424.3	19,477.5
December 31, 2017	9,409.7	1,594.4	2,094.0	2,562.5	3,083.9	18,744.5

Year ended December 31, 2018	Sugar	Energy	Brands	Property & Leisure	Others	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Sale of sugar, molasses and bagasse	835.7	-	-	-	-	835.7
Sale of goods	-	-	2,410.9	99.5	189.1	2,699.5
Sale of electricity	-	1,450.6	-	-	-	1,450.6
Revenue from services	-	-	-	79.5	14.0	93.5
	835.7	1,450.6	2,410.9	179.0	203.1	5,079.3

Year ended December 31, 2017	Sugar	Energy	Brands	Property & Leisure	Others	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Sale of sugar, molasses and bagasse	1,089.9	-	-	-	-	1,089.9
Sale of goods	-	-	2,285.4	62.1	181.9	2,529.4
Sale of electricity	-	1,340.0	-	-	-	1,340.0
Revenue from services	-	-	-	109.7	18.3	128.0
	1,089.9	1,340.0	2,285.4	171.8	200.2	5,087.3