Alteo

ALTEO LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED June 30, 2016

"Alteo Group reports a 15% growth in EBITDA mainly driven by the positive contribution of Transmara Sugar Company Ltd while Group profit after tax (after adjusting for a non-recurrent gain on the disposal of an investment in the comparative period) drops by 6%."

GROUP HIGHLIGHTS

17%	15%	6%
TURNOVER	EBITDA	ADJUSTED PROFIT AFTER TAX

GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 30 Jun 16 Rs 000	Audited 30 Jun 15 Rs 000
TURNOVER	7,850,222	6,735,828
Earnings Before Interests, Taxation, Depreciation & Amortisation (EBITDA)	2,394,989	2,091,377
Depreciation & Amortisation	(801,271)	(655,270)
Earnings Before Interests & Taxation (EBIT)	1,593,718	1,436,107
Finance costs	(416,606)	(210,140)
Share of results of joint ventures & associates	12,601	20,659
Gain on disposal of investment & assets	41,528	358,447
Profit before taxation	1,231,241	1,605,073
Taxation	(430,779)	(447,504)
Profit for the period	800,462	1,157,569
Other comprehensive income for the period	(169,795)	(175,114)
Total comprehensive income for the period	630,667	982,455
Profit attributable to:		
Owners of the parent	264,211	689,980
Non-Controlling interests	536,251	467,589
	800,462	1,157,569
Total comprehensive income attributable to:		
Owners of the parent	185,007	565,173
Non-Controlling interests	445,660	417,282
	630,667	982,455
Earnings per share	0.83	2.17
Dividend per share	0.80	0.80

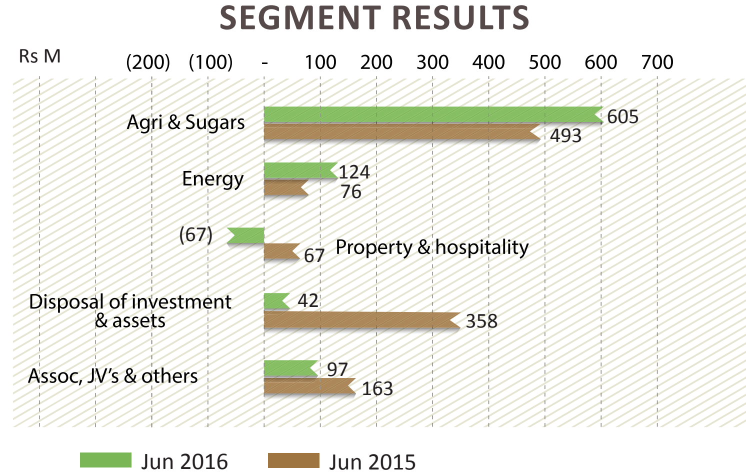
GROUP SEGMENTAL INFORMATION

	Audited 30 Jun 16 Rs 000	Audited 30 Jun 15 Rs 000
Segment turnover		
Agri and Sugars	5,641,895	4,197,507
Energy	1,068,396	1,125,829
Property & hospitality	1,047,355	1,330,436
Others	234,165	201,656
Inter entities	(141,589)	(119,600)
Total turnover	7,850,222	6,735,828
Geographical turnover		
Mauritius	4,026,823	4,316,360
Tanzania	2,402,995	2,419,468
Kenya	1,420,404	-
Total turnover	7,850,222	6,735,828
Segment results		
Agri and Sugars	604,763	493,432
Energy	124,477	75,882
Property & hospitality	(67,230)	67,228
Gain on disposal of investment & assets	41,528	358,447
Others	51,426	61,338
Inter entities	32,897	80,583
	787,861	1,136,910
Share of results of joint ventures & associates	12,601	20,659
Profit for the period	800,462	1,157,569
Geographical results		
Mauritius	41,160	446,993
Tanzania	688,709	710,576
Kenya	70,593	-
Profit for the period	800,462	1,157,569

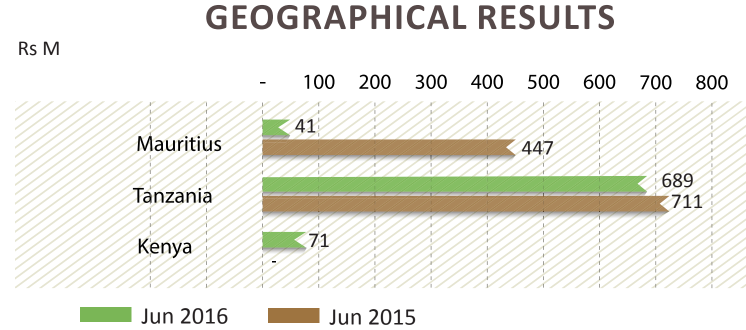
GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

		Audited 30 Jun 16 Rs 000	Audited 30 Jun 15 Rs 000
ASSETS EMPLOYED			
Non-current assets			
Property, plant and equipment		19,253,358	17,668,912
Land-projects		5,853	5,853
Investment properties		1,689,970	1,721,718
Intangible assets		850,441	23,725
Investment in joint venture & associated companies		32,298	60,230
Investment in available-for-sale financial assets		84,739	97,756
Bearer biological assets		556,771	593,610
Deferred expenditure and other non current receivables		1,318,335	1,227,074
		23,791,765	21,398,878
Current assets		4,869,805	4,681,121
Non-current assets held for sale		383,128	408,945
TOTAL ASSETS		29,044,698	26,488,944
EQUITY AND LIABILITIES			
Shareholders' interests		16,924,572	16,994,387
Non-controlling interests		2,366,528	2,475,006
Non-current liabilities		5,980,095	3,540,870
Current liabilities		3,773,503	3,478,681
TOTAL EQUITY AND LIABILITIES		29,044,698	26,488,944
NET ASSET VALUE PER SHARE	Rs	53.14	53.36
NUMBER OF SHARES IN ISSUE	No	318,492,120	318,492,120

SEGMENT RESULTS



GEOGRAPHICAL RESULTS



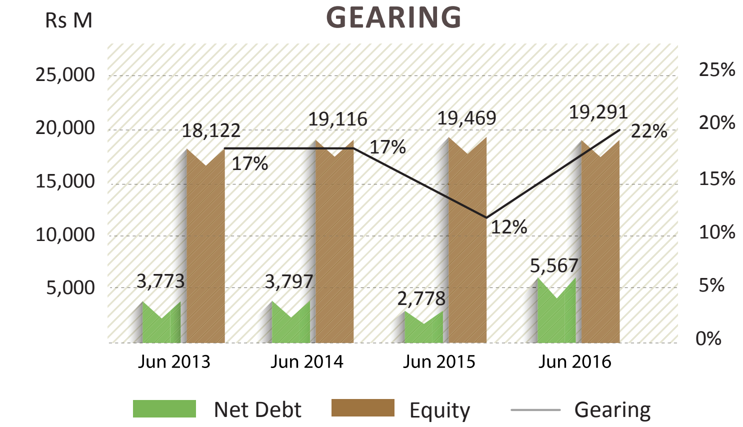
GROUP CONDENSED STATEMENT OF CASH FLOWS

	Audited 30 Jun 16 Rs 000	Audited 30 Jun 15 Rs 000
Net cash flow from operating activities	1,616,025	1,598,689
Net cash flow (used in)/from investing activities	(2,924,542)	78,676
Net cash flow from/(used in) financing activities	846,063	(1,111,509)
Net (decrease)/increase in cash and cash equivalents	(462,454)	565,856
Effect of business combination	(99,190)	-
Cash and cash equivalents at July 1,	(175,734)	(741,590)
Cash and cash equivalents at Jun 30	(737,378)	(175,734)

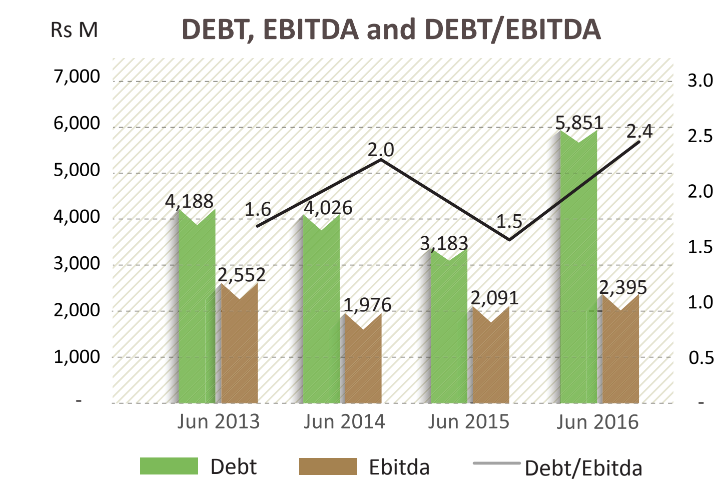
GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of parent Rs 000	Non Controlling interests Rs 000	Total Equity Rs 000
At 1 July 2015	16,994,387	2,475,006	19,469,393
Total comprehensive income for the year	185,007	445,660	630,667
Movement in reserves	(28)	-	(28)
Effect of business combination	-	(30,568)	(30,568)
Reclassification of loans to borrowings	-	(62,158)	(62,158)
Dividend	(254,794)	(461,412)	(716,206)
At 30 June 2016	16,924,572	2,366,528	19,291,100
At 1 July 2014	16,742,506	2,373,020	19,115,526
Total comprehensive income for the year	565,173	417,282	982,455
Movement in reserves	(58,498)	57,306	(1,192)
New shares issued	-	23,500	23,500
Shareholders loan	-	6,207	6,207
Dividend	(254,794)	(402,309)	(657,103)
At 30 June 2015	16,994,387	2,475,006	19,469,393

GEARING



DEBT, EBITDA and DEBT/EBITDA



COMMENTS

Results

Overall

• Group turnover and EBITDA grew by 17% and 15% respectively mainly driven by the positive contribution of Transmara Sugar Company Ltd (TSCL) accounted for as a subsidiary since 1 August 2015.

• After adjusting for the non-recurrent gain of Rs305M realised on the disposal of a 50% shareholding in Anahita Hotel Ltd in the comparative period, Group PAT was impacted by the results of the property cluster and an increase in finance costs linked to the debt contracted for the acquisition of TSCL.

Agri and Sugars

• Results for the sugar cluster in Mauritius were better compared to 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 biological asset fair value movement.

• 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 biological asset fair value movement.

• TSCL in Kenya showed encouraging performance in the third and fourth quarters in terms of both production and prices.

Energy

• 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.

Property and hospitality

• 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.

Debt review

• The increase in the net debt of the Group at 30 June 2016 was mainly explained by the consolidation of TSCL's debt and additional debt contracted by Sucriere des Mascareignes Ltd for the acquisition of TSCL. The Group's debt level resulted in a gearing of 22% and a Debt/EBITDA ratio of 2.4 at year end.

Outlook

Agri and Sugars

• Our growing and milling operations in Mauritius are expected to benefit from a reasonable sugar cane crop but might be affected by a relatively low extraction rate. An improved EU sugar market is likely to translate into better prices.

• In Tanzania, above average cane yields are anticipated and strong results are expected, sustained by higher world market prices.

• Our Kenyan operations should reap the full year benefit of the factory capacity expansion and of improved domestic prices.

Energy

• Results for AEL are expected to remain in line with the previous year on the basis of stable coal prices over the foreseeable future. CEL should benefit from a prolonged production period.

Property and hospitality

• The launch of the Anahita high-end northern parcels and the re-opening of Anahita The Resort, after 4 months of closure due to the construction of a spa and the renovation of its restaurants, are expected to positively impact the cluster results in the next financial year.

By Order of the Board

Kate Li Kwong Wing
Company Secretary
September 22, 2016

The condensed financial statements are audited by Messrs BDO & Co, Chartered Accountants, and have been prepared using the same accounting policies as the audited statements for the year ended 30 June 2016.
Copies of the above condensed audited financial statements, the full audited financial statements and 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, are available to the public, free of charge, at the registered address of the Company at Vivéa Business Park, Saint Pierre.
The condensed audited financial statements are issued pursuant to Listing Rule 12.14 and the Securities Act 2005.
The Board of Directors of Alteo Limited accepts full responsibility for the accuracy of the information contained in these condensed financial statements.