Alteo

Vision in motion

ALTEO LIMITED AND ITS SUBSIDIARIES
FOR THE PERIOD ENDED MARCH 31, 2016

"Alteo Group reports a 24% drop in profit after tax for the nine month period (after adjusting for a non-recurrent gain of Rs305M on the disposal of an investment in the comparative period) mainly driven by lower results for the Mauritian sugar operations and delayed signing of property sales"

GROUP HIGHLIGHTS FOR THE NINE MONTHS

11% TURNOVER

1% EBITDA

24% ADJUSTED PAT

GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 3 Months to 31 Mar 16 Rs 000	Unaudited 3 Months to 31 Mar 15 Rs 000	Unaudited 9 Months to 31 Mar 16 Rs 000	Unaudited 9 Months to 31 Mar 15 Rs 000
TURNOVER	1,931,824	1,784,674	5,876,359	5,309,540
Earnings Before Interests, Taxation, Depreciation & Amortisation (EBITDA)	739,941	623,878	1,834,240	1,850,084
Depreciation & Amortisation	(251,767)	(194,174)	(584,671)	(553,736)
Earnings Before Interests & Taxation (EBIT)	488,174	429,704	1,249,569	1,296,348
Finance costs	(126,067)	(32,221)	(283,227)	(169,634)
Share of results of joint ventures & associates	11,132	42,938	29,441	42,723
Gain on disposal of investments & assets	3,014	6,236	9,968	318,584
Profit before taxation	376,253	446,657	1,005,751	1,488,021
Taxation	(211,637)	(189,678)	(401,213)	(390,216)
Profit for the period	164,616	256,979	604,538	1,097,805
Other comprehensive income for the period	(89,074)	178,731	(223,468)	158,814
Total comprehensive income for the period	75,542	435,710	381,070	1,256,619
Profit attributable to:				
Owners of the parent	(49,505)	91,014	133,519	627,264
Non-Controlling interests	214,121	165,965	471,019	470,541
	164,616	256,979	604,538	1,097,805
Total comprehensive income attributable to:				
Owners of the parent	(97,073)	172,522	14,479	697,422
Non-Controlling interests	172,615	263,188	366,591	559,197
	75,542	435,710	381,070	1,256,619
Earnings per share	(0.16)	0.29	0.42	1.97
Dividend per share			0.35	0.35

GROUP SEGMENTAL INFORMATION

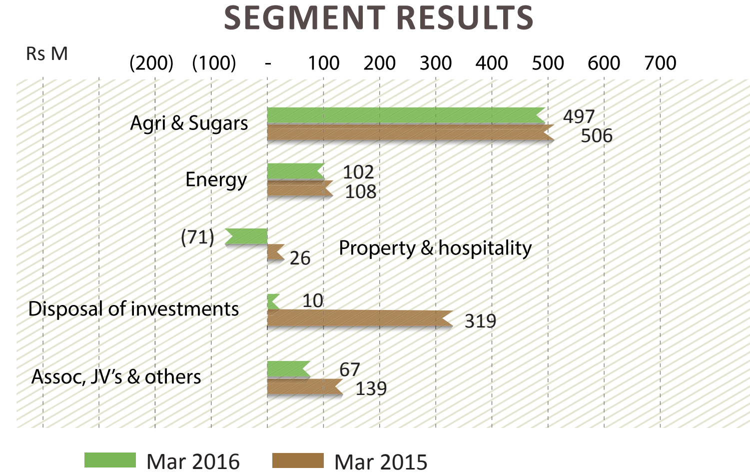
	Unaudited 3 Months to 31 Mar 16 Rs 000	Unaudited 3 Months to 31 Mar 15 Rs 000	Unaudited 9 Months to 31 Mar 16 Rs 000	Unaudited 9 Months to 31 Mar 15 Rs 000
Segment turnover				
Agri and Sugars	1,409,295	1,096,856	4,379,341	3,537,287
Energy	274,330	226,517	792,303	836,011
Property & hospitality	258,736	455,307	652,384	877,023
Others	30,158	20,762	156,113	145,235
Inter entities	(40,695)	(14,768)	(103,782)	(86,016)
Total turnover	1,931,824	1,784,674	5,876,359	5,309,540
Geographical turnover				
Mauritius	583,188	905,720	2,957,797	3,265,542
Tanzania	873,297	878,954	2,022,162	2,043,998
Kenya	475,339	-	896,400	-
Total turnover	1,931,824	1,784,674	5,876,359	5,309,540
Segment results				
Agri and Sugars	133,888	126,433	496,878	505,858
Energy	26,602	(27,544)	102,105	107,743
Property & hospitality	(12,974)	56,138	(71,223)	26,323
Gain on disposal of investments & assets	3,014	6,236	9,968	318,584
Others	(4,242)	10,383	27,379	41,514
Inter entities	7,196	42,395	9,990	55,060
	153,484	214,041	575,097	1,055,082
Share of results of joint ventures & associates	11,132	42,938	29,441	42,723
Profit for the period	164,616	256,979	604,538	1,097,805
Geographical results				
Mauritius	(234,780)	(72,581)	(126,582)	396,002
Tanzania	331,983	329,560	699,640	701,803
Kenya	67,413	-	31,480	-
Profit for the period	164,616	256,979	604,538	1,097,805

GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

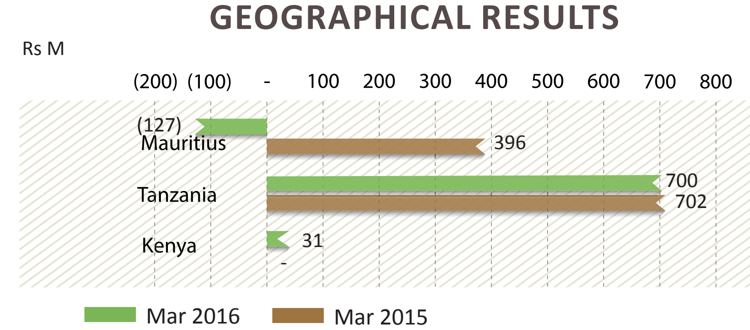
		Unaudited 31 Mar 16 Rs 000	Audited 30 Jun 15 Rs 000
ASSETS EMPLOYED			
Non-current assets			
Property, plant and equipment		19,057,156	17,668,912
Land-projects		5,853	5,853
Investment properties		1,721,718	1,721,718
Intangible assets[1]		881,403	23,725
Investment in joint venture & associated companies		57,164	60,230
Investment in available-for-sale financial assets		86,870	97,756
Bearer biological assets		557,051	593,610
Deferred expenditure and other non current receivables		1,347,080	1,227,074
		23,714,295	21,398,878
Current assets		5,088,795	4,681,121
Non current assets held for sale		383,825	408,945
TOTAL ASSETS		29,186,915	26,488,944
EQUITY AND LIABILITIES			
Shareholders' interests		16,897,320	16,994,387
Non-controlling interests		2,434,439	2,475,006
Non-current liabilities		5,054,143	3,540,870
Current liabilities		4,801,013	3,478,681
TOTAL EQUITY AND LIABILITIES		29,186,915	26,488,944
Net asset value per share	Rs	53.05	53.36
Number of shares in issue	No	318,492,120	318,492,120

[1] Intagible assets include a provisional goodwill amount arising on the acquisition of Transmara Sugar Company Ltd.

SEGMENT RESULTS



GEOGRAPHICAL RESULTS



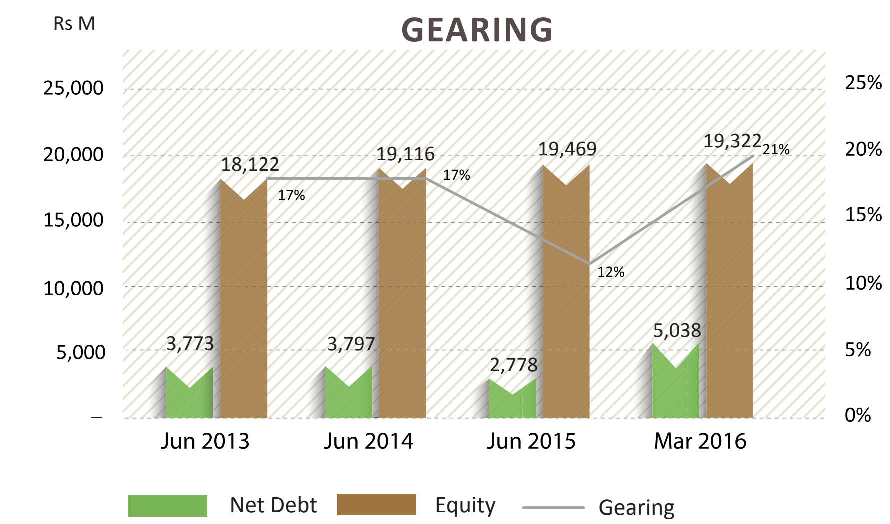
GROUP CONDENSED STATEMENT OF CASH FLOWS

	Unaudited 31 Mar 16 Rs 000	Unaudited 31 Mar 15 Rs 000
Net cash flow from operating activities	1,174,610	1,250,190
Net cash flow (used in)/from investing activities	(2,421,755)	443,302
Net cash flow from/(used) in financing activities	582,300	(771,100)
Net (decrease)/increase in cash and cash equivalents	(664,845)	922,392
Cash and cash equivalents at July 1,	(175,734)	(741,590)
Cash and cash equivalents at Mar 31	(840,579)	180,802

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	14,479	366,591	381,070
Movement in reserves	(74)	(50,729)	(50,803)
Shareholders loan	-	12,366	12,366
Dividend	(111,472)	(368,795)	(480,267)
At 31 March 2016	16,897,320	2,434,439	19,331,759
At 1 July 2014	16,742,506	2,373,020	19,115,526
Total comprehensive income for the year	697,422	559,197	1,256,619
Movement in reserves	(34,221)	39,879	5,658
Dividend	(111,472)	(355,687)	(467,159)
At 31 March 2015	17,294,235	2,616,409	19,910,644

GEARING



COMMENTS

Nine months' results

Overall

• Group turnover grew by 11% mainly driven by the positive contribution of Transmara Sugar Company Ltd (TSCL) accounted for as a subsidiary since 1 August 2015.

• The drop in group PAT was mostly explained by the disposal of a 50% shareholding in Anahita Hotel Ltd in the comparative period which translated into a non-recurrent gain of Rs305M and an increase in finance costs linked to new debt contracted for the acquisition of TSCL.

Agri and Sugars

• Results for the sugar cluster in Mauritius were lower compared to last year. The positive effect of a higher sugar price and favourable biological asset fair value movement was offset by a reduction in production due to a lower sucrose and by higher operating costs associated with an increased cane tonnage harvested and transported.

• Tanzanian sugar operations achieved results which were at par with last year; lower production and sales volumes due to poorer sucrose being compensated by a higher average sugar price, increased electricity sales and a favourable biological asset fair value movement.

• TSCL in Kenya was a major contributor to the 11% increase in group turnover. It showed encouraging performance in the third quarter, making up for losses accumulated in the second quarter when the mill stopped for major capacity expansion works and maintenance.

Energy

• Energy operations continued to be affected by a lower bagasse tariff at Alteo Energy Ltd (AEnL) driven by the low coal price environment.

Property and hospitality

• Despite achieving considerable progress on the construction of Amalthea residences, all of which have now been reserved, property operations results were adversely impacted by the delayed signing of sales deeds.

Outlook

Agri and Sugars

• Given the seasonality of sugar operations in Mauritius, most of the revenues for the financial year have been recognised to date. Prices for 2015 crop are likely to remain in line with current estimates while prices for early 2016 crop (June 2016) are expected to at least match prices for 2015 crop inclusive of the one off payment of Rs2,000 per ton received from the Sugar Insurance Fund.

• Production in Tanzania should be lower than last year due to a below average sucrose level and a longer scheduled maintenance period this year in order to complete a factory capacity increase. Full year results for the Tanzanian operations are expected to remain close to last year.

• In Kenya, since milling operations resumed in November 2015, the ramping up of production has been satisfactory. TSCL is expected to further contribute positively to group results in the last quarter.

Energy

• AEnL results will be further impacted by declining tariffs in the last quarter of the financial year. However, results for Consolidated Energy Ltd are expected to improve, partly compensating the expected drop in AEnL's results.

Property and hospitality

• Results for the last quarter should reflect the full impact of the signing of the remaining sales deeds for Amalthea residences. The recently launched development phases at Anahita are expected to start positively impacting results in the next financial year.

Overall

• Group results for the financial year should be higher than the results for the nine months to 31 March 2016 but significantly lower than last year's results which were boosted by a non-recurrent gain.

By Order of the Board
Navitas Corporate Services Ltd
Company Secretary

May 12, 2016

The nine months ended and the quarterly condensed financial statements have been prepared on the same basis of the accounting policies set out in the statutory financial statements of the Group for the year ended June 30 2015, except for the adoption of relevant amendments to published standards, standards and interpretations issued now effective
The condensed financial statements for the period ended March 31, 2016 are unaudited. Current tax on the adjusted profit for the period is calculated at 15%/30% (2015: 15%/30%)
Copies of the above condensed unaudited financial statements are available to the public, free of charge, at the registered office address of the Company, Vivéa Business Park, St Pierre. 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 to the Company Secretary at Navitas Corporate Services Ltd, Navitas House, Robinson Road, Floréal. The above condensed unaudited financial statements are issued pursuant to Listing Rule 12.20 and Section 88 of the Securities Act 2005.
The Board of Directors of Alteo Limited accepts full responsibility for the accuracy of the information contained in these condensed unaudited financial statements.