

**“ Alteo Group posts sustained EBITDA and PAT growth resulting mainly from increased production capacities and sales in Tanzania and Kenya and improved sugar prices in all markets ”**

**GROUP HIGHLIGHTS FOR THE NINE-MONTH PERIOD**



**GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|  | Unaudited<br>3 Months to<br>31 Mar 17 | Unaudited<br>3 Months to<br>31 Mar 16 | Unaudited<br>9 Months to<br>31 Mar 17 | Unaudited<br>9 Months to<br>31 Mar 16 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|  | Rs 000                                | Rs 000                                | Rs 000                                | Rs 000                                |
| <b>TURNOVER</b>  | <b>2,349,853</b>                      | <b>1,931,824</b>                      | <b>7,925,459</b>                      | <b>5,876,359</b>                      |
| <b>Earnings Before Interests, Taxation, Depreciation &amp; Amortisation (EBITDA)</b> | <b>875,652</b>                        | <b>739,941</b>                        | <b>2,897,074</b>                      | <b>1,834,240</b>                      |
| Depreciation & Amortisation  | (196,801)                             | (251,767)                             | (590,092)                             | (584,671)                             |
| <b>Earnings Before Interests &amp; Taxation (EBIT)</b>                               | <b>678,851</b>                        | <b>488,174</b>                        | <b>2,306,982</b>                      | <b>1,249,569</b>                      |
| Finance costs  | (98,298)                              | (126,067)                             | (338,730)                             | (283,227)                             |
| Share of results of joint ventures & associates                                      | (1,710)                               | 11,132                                | 4,164                                 | 29,441                                |
| Additional consideration on business combination (Loss) / Gain on disposal of assets | 6,422                                 | -                                     | (81,391)                              | -                                     |
| <b>Profit before taxation</b>  | <b>583,889</b>                        | <b>376,253</b>                        | <b>1,944,569</b>                      | <b>1,005,751</b>                      |
| Taxation   | (287,962)                             | (211,637)                             | (676,338)                             | (401,213)                             |
| <b>Profit for the period</b>   | <b>295,927</b>                        | <b>164,616</b>                        | <b>1,268,231</b>                      | <b>604,538</b>                        |
| Other comprehensive income for the period  | (97,531)                              | (89,074)                              | (56,346)                              | (223,468)                             |
| <b>Total comprehensive income for the period</b>                                     | <b>198,396</b>                        | <b>75,542</b>                         | <b>1,211,885</b>                      | <b>381,070</b>                        |
| <b>Profit attributable to:</b>   |                                       |                                       |                                       |                                       |
| Owners of the parent   | (12,810)                              | (49,505)                              | 436,993                               | 133,519                               |
| Non-Controlling interests  | 308,737                               | 214,121                               | 831,238                               | 471,019                               |
|  | 295,927                               | 164,616                               | 1,268,231                             | 604,538                               |
| <b>Total comprehensive income attributable to:</b>                                   |                                       |                                       |                                       |                                       |
| Owners of the parent   | (60,175)                              | (97,073)                              | 419,247                               | 14,479                                |
| Non-Controlling interests  | 258,571                               | 172,615                               | 792,638                               | 366,591                               |
|  | 198,396                               | 75,542                                | 1,211,885                             | 381,070                               |
| <b>Earnings per share</b>  | <b>(0.04)</b>                         | <b>(0.16)</b>                         | <b>1.37</b>                           | <b>0.42</b>                           |
| <b>Dividend per share</b>  | <b>-</b>                              | <b>-</b>                              | <b>0.37</b>                           | <b>0.35</b>                           |

**GROUP SEGMENTAL INFORMATION**

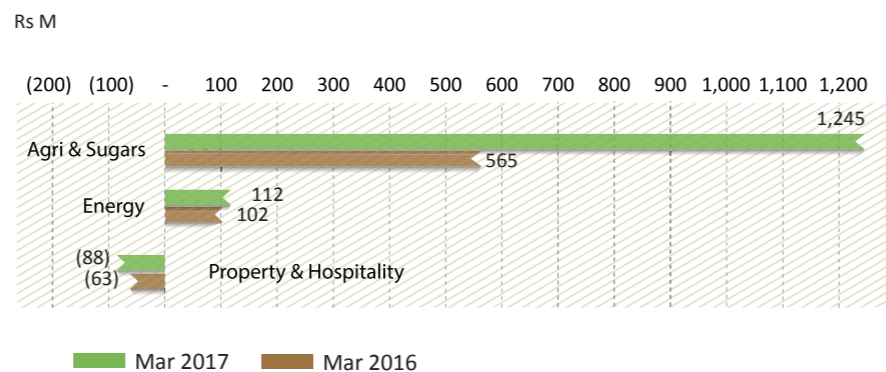
|                              | Unaudited<br>3 Months to<br>31 Mar 17 | Unaudited<br>3 Months to<br>31 Mar 16 | Unaudited<br>9 Months to<br>31 Mar 17 | Unaudited<br>9 Months to<br>31 Mar 16 |
|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|                              | Rs 000                                | Rs 000                                | Rs 000                                | Rs 000                                |
| <b>Turnover by sector</b>    |                                       |                                       |                                       |                                       |
| Agri and Sugars              | 1,938,118                             | 1,439,453                             | 6,522,609                             | 4,535,455                             |
| Energy                       | 376,558                               | 274,330                               | 1,002,282                             | 792,303                               |
| Property And Hospitality     | 75,685                                | 258,736                               | 488,793                               | 652,384                               |
| Consolidation adjustments    | (40,508)                              | (40,695)                              | (88,225)                              | (103,783)                             |
| <b>Total turnover</b>        | <b>2,349,853</b>                      | <b>1,931,824</b>                      | <b>7,925,459</b>                      | <b>5,876,359</b>                      |
| <b>Turnover by country</b>   |                                       |                                       |                                       |                                       |
| Mauritius                    | 630,530                               | 623,883                               | 3,432,068                             | 3,061,579                             |
| Tanzania                     | 1,307,857                             | 873,297                               | 2,686,843                             | 2,022,162                             |
| Kenya                        | 451,974                               | 475,339                               | 1,894,773                             | 896,401                               |
| Consolidation adjustments    | (40,508)                              | (40,695)                              | (88,225)                              | (103,783)                             |
| <b>Total turnover</b>        | <b>2,349,853</b>                      | <b>1,931,824</b>                      | <b>7,925,459</b>                      | <b>5,876,359</b>                      |
| <b>Results by sector</b>     |                                       |                                       |                                       |                                       |
| Agri and Sugars              | 331,526                               | 143,261                               | 1,244,685                             | 565,422                               |
| Energy                       | (4,628)                               | 26,602                                | 111,710                               | 102,104                               |
| Property And Hospitality     | (30,971)                              | (5,247)                               | (88,164)                              | (62,988)                              |
| <b>Profit for the period</b> | <b>295,927</b>                        | <b>164,616</b>                        | <b>1,268,231</b>                      | <b>604,538</b>                        |
| <b>Results by country</b>    |                                       |                                       |                                       |                                       |
| Mauritius                    | (285,169)                             | (234,781)                             | 24,507                                | (126,581)                             |
| Tanzania                     | 587,217                               | 357,011                               | 1,117,156                             | 724,668                               |
| Kenya                        | (6,121)                               | 42,386                                | 126,568                               | 6,451                                 |
| <b>Profit for the period</b> | <b>295,927</b>                        | <b>164,616</b>                        | <b>1,268,231</b>                      | <b>604,538</b>                        |

**GROUP CONDENSED STATEMENT OF FINANCIAL POSITION**

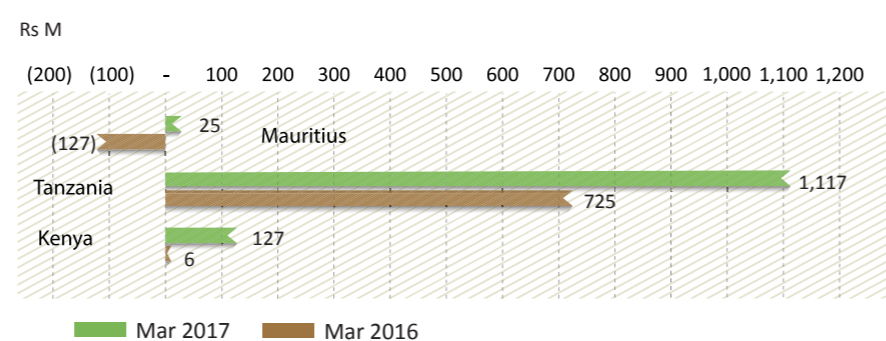
**ASSETS EMPLOYED**

|  | Unaudited<br>31 Mar 17 | Audited<br>30 Jun 16 |
|--|------------------------|----------------------|
|  | Rs 000                 | Rs 000               |
| <b>Non-current assets</b>                              |                        |                      |
| Property, plant and equipment                          | 19,240,636             | 19,253,358           |
| Land-projects  | 5,853                  | 5,853                |
| Investment properties                                  | 1,689,970              | 1,689,970            |
| Intangible assets                                      | 851,385                | 850,441              |
| Investment in joint ventures & associates              | 21,383                 | 32,298               |
| Investment in available-for-sale financial assets      | 86,330                 | 84,739               |
| Bearer biological assets                               | 555,637                | 556,771              |
| Deferred expenditure and other non current receivables | 1,262,974              | 1,318,335            |
|  | <u>23,714,168</u>      | <u>23,791,765</u>    |
| Current assets   | 5,784,216              | 4,869,805            |
| Non current assets held for sale                       | 381,696                | 383,128              |
| <b>TOTAL ASSETS</b>                                    | <b>29,880,080</b>      | <b>29,044,698</b>    |
| <b>EQUITY AND LIABILITIES</b>                          |                        |                      |
| Shareholders' interests                                | 17,188,971             | 16,924,572           |
| Non-controlling interests                              | 2,850,964              | 2,366,528            |
| Non-current liabilities                                | 5,733,142              | 5,526,491            |
| Current liabilities                                    | 4,107,003              | 4,227,107            |
|  | <u>29,880,080</u>      | <u>29,044,698</u>    |
| <b>Net asset value per share</b>                       | Rs 53.97               | Rs 53.14             |
| <b>Number of shares in issue</b>                       | No 318,492,120         | No 318,492,120       |

**NINE-MONTH RESULTS BY SECTOR**



**NINE-MONTH RESULTS BY COUNTRY**



**GROUP CONDENSED STATEMENT OF CASH FLOWS**

|  | Unaudited<br>31 Mar 17 | Unaudited<br>31 Mar 16 |
|--|------------------------|------------------------|
|  | Rs 000                 | Rs 000                 |
| Net cash flow from operating activities                | 2,621,594              | 1,174,610              |
| Net cash flow used in investing activities             | (602,031)              | (2,421,755)            |
| Net cash flow (used in) / from financing activities    | (875,542)              | 582,300                |
| Net increase / (decrease) in cash and cash equivalents | 1,144,021              | (664,845)              |
| Cash and cash equivalents at July 1,                   | (737,378)              | (175,734)              |
| Cash and cash equivalents at Mar 31                    | 406,643                | (840,579)              |

**GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY**

|   | Attributable to<br>owners of parent | Non Controlling<br>interests | Total<br>Equity |
|---|-------------------------------------|------------------------------|-----------------|
|   | Rs'000                              | Rs 000                       | Rs 000          |
| At 1 July 2016                          | 16,924,572                          | 2,366,528                    | 19,291,100      |
| Total comprehensive income for the year | 419,247                             | 792,638                      | 1,211,885       |
| Movement in reserves                    | (37,006)                            | 85,773                       | 48,767          |
| Dividend                                | (117,842)                           | (393,975)                    | (511,817)       |
| At 31 March 2017                        | 17,188,971                          | 2,850,964                    | 20,039,935      |
| 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      |

**COMMENTS**

**GROUP RESULTS FOR THE NINE-MONTH PERIOD**

*STRONG OVERALL PERFORMANCE FOR THE GROUP*

- Group EBITDA and PAT grew by 58% and 110% respectively. This was mainly attributable to the strong performance of Alteo's Agri and Sugars cluster.
- PAT was further enhanced by gains on the disposal of land amounting to Rs54M in the period under review against Rs10M for the comparative period.
- The additional consideration on business combination of Rs81M refers to an estimated earn out payable for the acquisition of Transmara Sugar Company Ltd. Nine-month results shown for Kenya in the Group segmental information have been reduced by this amount.

**AGRI AND SUGARS**

*RESULTS BOOSTED BY INCREASED SALES VOLUMES AND HIGHER SUGAR PRICES*

The Agri and Sugars cluster continued to achieve much better results for the nine-month period on the back of i) enhanced production capacities in Tanzania and Kenya and higher sucrose levels in Tanzania and Mauritius, translating into increased sales volumes and ii) a sustained favourable price trend in all markets.

**ENERGY**

*BETTER RESULTS DRIVEN BY A HIGHER OFFTAKE DESPITE HIGHER COAL PRICES*

Energy operations posted better results for the nine-month period benefitting from a higher offtake which offset the negative impact of higher coal prices on the results of Alteo Energy Ltd in the third quarter.

By Order of the Board

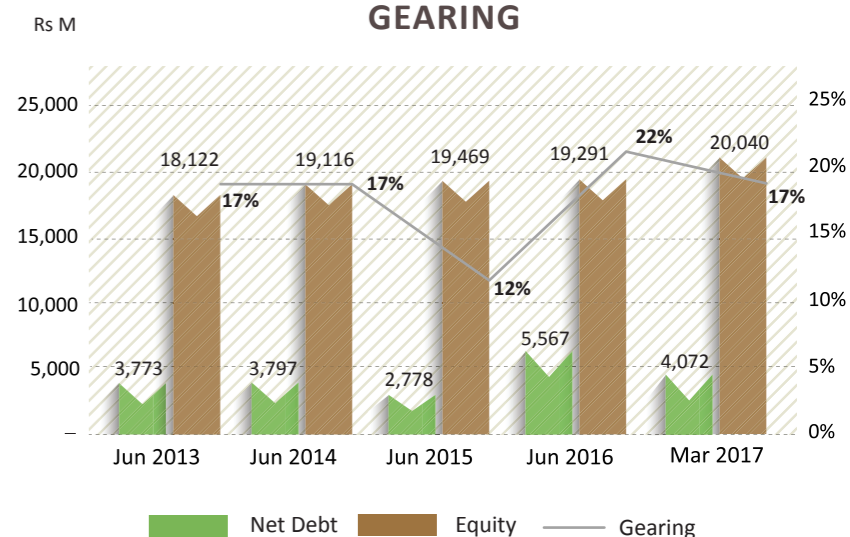
Kate M. Li Kwong Wing  
Company Secretary

May 11, 2017

Notes:

The condensed financial statements for the nine months and quarter ended March 31, 2017 are unaudited, and have been prepared using the same accounting policies as the audited statements for the year ended June 30, 2016, except for the adoption of relevant amendments to existing standards, new published standards and interpretations issued which are now effective. Copies of the above condensed unaudited financial statements and statement of direct and indirect interests of Officers of the Company, as required under Rule 8(2) 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 above condensed unaudited financial statements are issued pursuant to Listing Rule 12.20 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.

**GEARING**



**PROPERTY AND HOSPITALITY**

*LOWER TURNOVER AS ANAHITA CLEARED ITS INVENTORY OF SOUTHERN RESIDENTIAL UNITS*

The Property and Hospitality cluster generated a lower turnover in the third quarter as it cleared its remaining inventory with the delivery of the last few residential units in the southern part of Anahita. The resulting lower contribution towards fixed costs increased losses for the nine-month period. The closure of Anahita Golf & Spa Resort (previously Anahita The Resort) for refurbishment over the first quarter also weighed on the cluster results.

**GROUP OUTLOOK**

*YEAR END RESULTS ARE EXPECTED TO SHOW A MARKED IMPROVEMENT AGAINST LAST YEAR*

No further contribution to the Group results is expected in the fourth quarter due to the seasonality of Alteo's operations. However, Group results for the year are expected to be significantly better than last year's results on the back of the strong performance of the Agri and Sugars cluster and in particular the increasing contribution of the group's East African operations.