CIEL Limited reports financial results for the first quarter ended 30 September 2018

Executive Summary

The comparative September 2017 quarter figures were restated mainly to reflect the correct accounting treatment for sale and finance leaseback transactions of the IHS rooms in the Hotels & Resorts cluster.

At MUR 6.1bn, Group revenue for the quarter under review increased by 10% (2017 Restated: MUR 5.5bn) while EBITDA rose to MUR 615M (2017 Restated: MUR 387M) generating a higher year-on-year EBITDA margin of 10.1% (2017 Restated: 7.0%).

The Group recorded a Profit after Tax ('PAT') of MUR 129M (2017 Restated: (MUR 51M)) for the period under review explained by the improved performance of most clusters within the Group as follows:

- The Textile cluster posted good results across all its segments, particularly the Woven segment, on the back of higher sales volumes at better margins. Floreal Knitwear's industrial plant in Antsirabe, Madagascar and the Knits production plant in Coimbatore, India have also improved in the September 2018 quarter compared to the same period in prior year.
- In the Hotels & Resorts cluster, SUN achieved satisfactory growth mainly owing to La Pirogue being fully operational in the September 2018 quarter compared to the same period in prior year when it was partially closed for renovations. Despite the low seasonality of the hotel sector in this period of the year, SUN's average daily rate ('ADR') and occupancy rate have also increased compared to the September 2017 quarter. SUN's luxury resort Kanuhura, Maldives, has shown progress in terms of revenue although the trading conditions therein remain competitive. Based on forward bookings, management expects a better financial performance for the first semester.
- The Finance cluster maintained good results with a 14% increase profit after tax year-on-year owing to the solid performance of its banking activities. Bank One has achieved good results attributable to most of its business lines and BNI Madagascar S.A.'s results remain stable despite the economic slowdown in the period preceding the elections. The fiduciary operations of the cluster – MITCO – has however recorded a lower performance this quarter due to uncertainty prevailing in the sector.
- The Agro & Property cluster continue to be negatively affected by Alteo Limited's ('Alteo') local sugar operations due to the unfavourable price environment. The drop in Alteo's results was partially alleviated by the beginning of a turnaround in Kenya's results which showed a marked improvement in production and sales volume resulting from a higher sugar cane availability. Sugar prices in Kenya's domestic market have also improved in the September 2018 quarter.
- The Healthcare cluster has performed better this quarter compared to the same period last year owing to the sustained track record of Fortis Clinique Darne ('FCD') and the good progression of Wellkin Hospital ('Wellkin'). Patient care and medical excellence remains at the core of The Medical and Surgical Centre Limited ('MSCL'). The trading environment in Nigeria and Uganda remains difficult.

CIEL Group's profit attributable to ordinary shareholders stood at MUR 88M (2017 Restated: (MUR 25M)) for the quarter under review.

At Company level, the Net Asset Value ('NAV') per share stood at MUR 8.08 as at 30 September 2018 - down 4.8 percentage points from MUR 8.49 as at 30 June 2018 - reflecting mainly the fall in the share prices of CIEL Textile Limited ('CTL'), SUN and the drop in the banking multiples used to value CIEL Finance Limited's local banking investment.

The first quarter of the financial year shows encouraging results across most clusters despite being characterised by the seasonally low activity of the hotel sector.

KEY FIGURES

GROUP CONSOLIDATED REVENUE	GROUP EBITDA	GROUP PROFIT AFTER TAX	PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	COMPANY NAV PER SHARE
▲ 6.1	▲ 615	▲ 129	▲ 88	▼ 8.08
11% MUR bn	59% MUR M	352% MUR M	452% MUR M	4.8% MUR
MUR 5.5 bn - 30 September 2017	MUR 387 M - 30 September 2017	(MUR 51 M) - 30 September 2017	(MUR 25 M) - 30 September 2017	MUR 8.49 - 30 June 2018

QUARTER ENDED 30 SEPTEMBER 2018

		Quarter ended 30 September		
		2018	2017 Restated	Variance
Group Income Statement				
Revenue	**MUR 'M**	**6,085**	5,539	**10%**
Textile	MUR 'M	**3,502**	3,177	10%
Hotels and Resorts	MUR 'M	**1,288**	1,148	12%
Finance	MUR 'M	**687**	646	6%
Agro and Property	MUR 'M	**35**	19	85%
Healthcare	MUR 'M	**588**	552	6%
CIEL*	MUR 'M	**41**	42	(3%)
Group Elimination	MUR 'M	**(56)**	(46)	(22%)
EBITDA[1]	**MUR 'M**	**615**	387	**59%**
Textile	MUR 'M	**335**	218	53%
Hotels and Resorts	MUR 'M	**(21)**	(65)	68%
Finance	MUR 'M	**216**	194	11%
Agro and Property	MUR 'M	**41**	34	20%
Healthcare	MUR 'M	**57**	17	242%
CIEL*	MUR 'M	**(16)**	(12)	(37%)
Group Elimination	MUR 'M	**3**	-	-
Profit after tax	**MUR 'M**	**129**	(51)	**353%**
Textile	MUR 'M	**199**	110	81%
Hotels and Resorts	MUR 'M	**(246)**	(294)	16%
Finance	MUR 'M	**167**	146	14%
Agro and Property	MUR 'M	**42**	53	(21%)
Healthcare	MUR 'M	**8**	(30)	127%
CIEL*	MUR 'M	**(44)**	(31)	42%
Group Elimination	MUR 'M	**3**	(5)	160%

[1] - Earnings before interest, tax, depreciation and amortisation

*Includes CIEL Limited figures as well as wholly owned subsidiaries CIEL Corporate Services Limited and Azur Financial Services Limited (Treasury services of CIEL Group)

		30-Sep 2018	**30-Jun 2018 Restated**	**Variance**
Statement of Financial Position				
Group total assets	MUR 'M	**69,742**	68,885	1%
Total portfolio	MUR 'M	**15,528**	16,165	(4%)
Company net asset value per share	MUR	**8.08**	8.49	(5%)

Group Results – First Quarter September 2018 Against First Quarter September 2017	% Movement

Revenue — 10% ↑

Group revenue for the quarter increased by 10% from MUR 5.5bn to MUR 6.1bn primarily due to the better performance of CTL, the Woven segment in particular, the operation of SUN's resort – La Pirogue – for a full quarter against partial closure for renovation last year and the slight increase in the turnover of the Finance and Healthcare clusters.

Earnings before Interests, Taxation, Depreciation and Amortisation (EBITDA) — 59% ↑

Double-digit growth in EBITDA for the quarter is mainly attributable to an increase in the sales volumes and margins of CTL, an increase in the ADR and occupancy rate of SUN's resorts and an improvement in MSCL's operations.

Depreciation and Amortisation — 4% ↑

A slight increase in the quarter-on-quarter depreciation and amortisation mainly attributable to the higher asset base of the Hotels & Resorts and Textile clusters.

Net Finance Costs — 3% ↑

Finance costs were up slightly due to the higher funding requirements of the Textile cluster. Debt taken by CIEL Limited at end of July 2017 to finance SUN's rights issue and the additional stake in CTL has also increased net finance cost (full impact reflected this quarter). This increase was partially mitigated by the fall in SUN's finance costs driven by the rights issue and private placement finalised in August 2017.

Share of Results of Joint Venture Net of Tax — 72% ↑

The increase is mainly attributable to the improvement in the results of Bank One and the lower losses at Anahita Golf & Spa Resort during this low season period.

Share of Results of Associates Net of Tax — 74% ↓

The decrease is primarily driven by the lower results of Alteo Limited in the Agro & Property cluster where the price of sugar in Mauritius and the lower margins realised on imported sugar sales in Tanzania have affected the results of the quarter.

Profit Before Tax — 465% ↑

Profit Before Tax turned around from a loss of MUR 45M in the September 2017 quarter to a profit of MUR 164M this quarter mainly owing to the good performance of the Textile and Hotels & Resorts clusters and to a lesser extent the better results of the Healthcare and Finance clusters.

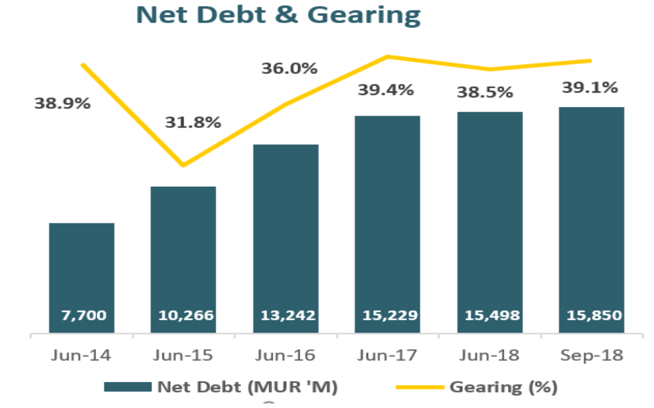
Taxation — 499% ↑

The tax charge for the quarter has increased mainly due to the Textile cluster's rise in profitability compared to prior year together with a tax provision linked to the revaluation of investment properties in Madagascar within the Finance cluster.

Profit after Tax and Profit Attributable

Group profit after tax stood at MUR 129M (2017: (MUR 51M)) and profit attributable to ordinary shareholders was MUR 88M (2017: (MUR 25M)) for the quarter under review.

GROUP RESULTS



*Gearing = Debt / (Debt+Equity)

GROUP NET DEBT AND GEARING

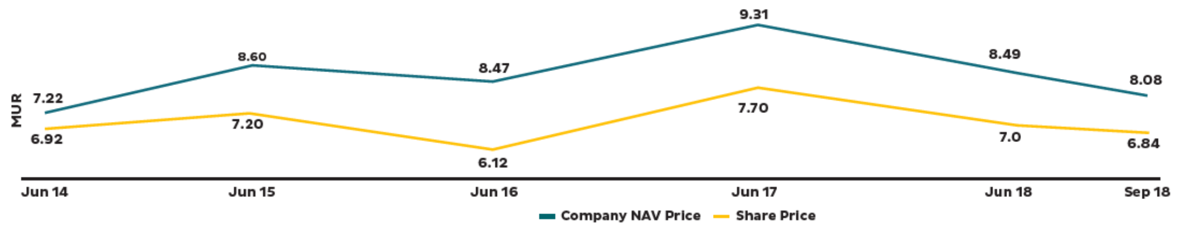
There was a slight increase in CIEL's gearing ratio from 38.5% as at June 2018 to 39.1% as at September 2018 mainly due to the increase in working capital financing at CTL level.

Performance improvement measures continue to be implemented across all clusters to help improve the Group's cash position, the consolidated gearing ratio and net indebtedness while closely controlling capital expenditure projects.

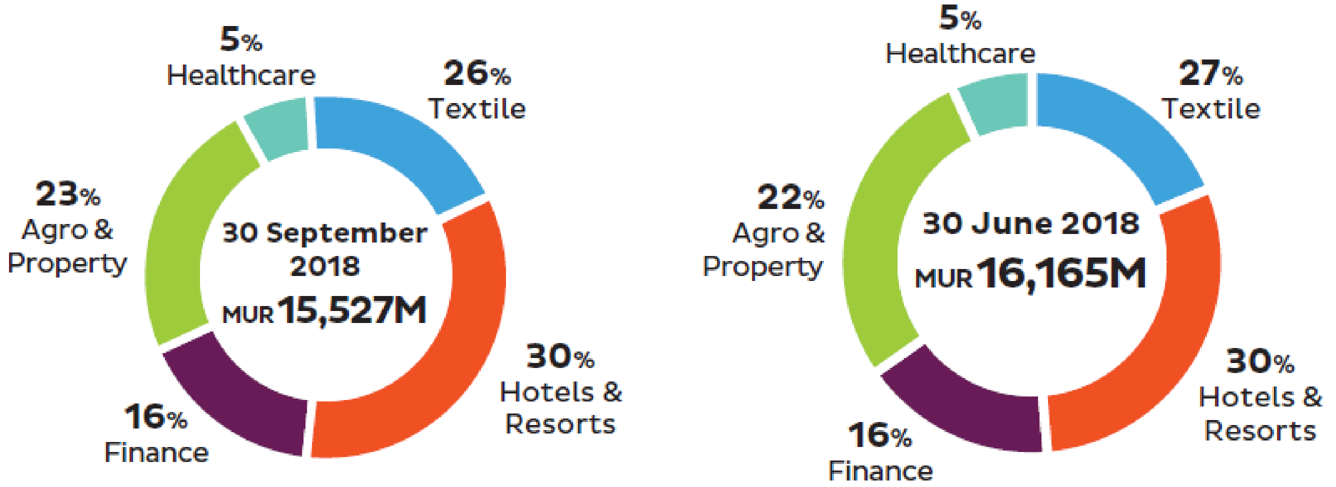
COMPANY RESULTS

CIEL's Net Asset Value ('NAV') per share fell from MUR 8.49 (30 June 2018) to MUR 8.08 (30 September 2018)

Company NAV vs. Share Price



COMPANY INVESTMENT PORTFOLIO

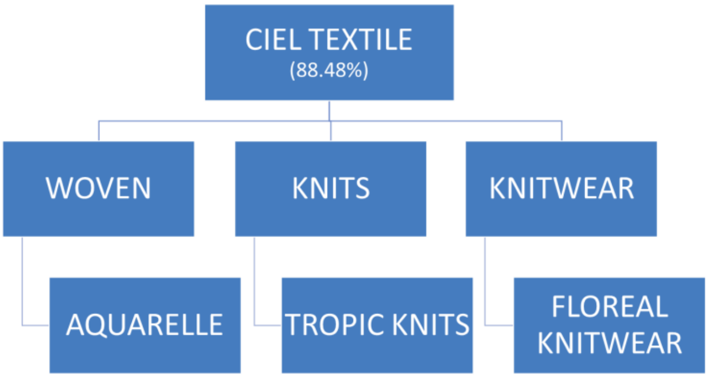


- All listed subsidiaries are valued at market price except for SUN which is valued at market price plus a 10% premium.
- The Company's investment portfolio fell 3.9 percentage points from MUR 16,165M in June 2018 to MUR 15,527M in September 2018 mainly due to a fall in the share price of CTL, SUN and a drop in the valuation of the Finance cluster investments.
- CTL's share price dropped from MUR 48 as at 30 June 2018 to MUR 44.15 as at 30 September 2018.
- The Hotels & Resorts cluster's lower contribution to the portfolio is due to SUN's 4% fall in the share price from MUR 51 to MUR 48.75 over the September 2018 quarter.
- There has been a decrease in the Finance cluster's portfolio valuation mainly due to the fall in the underlying fundamentals of the local banking investment despite the improved performance of Bank One.
- Alteo's (Agro & Property cluster) share price fell by 2% from MUR 25.17 as at 30 June 2018 to MUR 24.65 as at 30 September 2018.
- The Healthcare cluster's value has contributed positively to the portfolio owing to the increase in the share price of MSCL from MUR 2.65 in June 2018 to MUR 3.12 in September 2018.

BUSINESS CLUSTER REVIEW

The unaudited condensed financial statements are available on www.cielgroup.com/investor-relations

Textile



QUARTER END RESULTS

Audited			Quarter ended 30 September		
June 2018			2018	2017	Variance
	Income Statement				
10,944	Revenue	MUR'M	3,502	3,177	10%
317	Profit after tax	MUR'M	199	110	81%

- CTL posted an improvement of 10% in turnover mostly attributable to the Woven segment. Profitability across all segments has increased in the September 2018 quarter compared to the same period prior year mainly owing to better sales volumes and increased margins.

- The Knitwear, Knits and Retail segments have recorded an increase of 13% in profit after tax quarter-on-quarter. The Knitwear cluster factory in Antsirabe, Madagascar, and the Knits operations in India are showing positive sign of progress.

- The forthcoming quarter should show the same trend and CTL expects good results for the first half of the financial year.

- Management is closely monitoring the effect of the recent adverse foreign exchange movements on exports and the current Presidential elections in Madagascar.

Hotels & Resorts

QUARTER END RESULTS

Audited			Quarter ended 30 September		
June 2018			2018	2017	Variance
	Income Statement				
6,724	Revenue	MUR'M	1,288	1,148	12%
198	Profit/(loss) after tax	MUR'M	(246)	(294)	16%

- The improved performance of the Hotels & Resorts cluster for the quarter ended 30 September 2018 is mainly attributable to the progress of SUN compared to prior year. SUN's revenue grew by 12% to reach MUR 1.29bn owing to the satisfactory growth achieved by most resorts.

- A high proportion of the revenue increase in the September 2018 quarter is attributable to La Pirogue which was open for a full quarter against the partial closure in the same period last financial year. SUN's luxury resort Kanuhura located in the Maldives also showed a 23% growth in revenue in the September 2018 quarter despite the continually challenging environment in this destination.

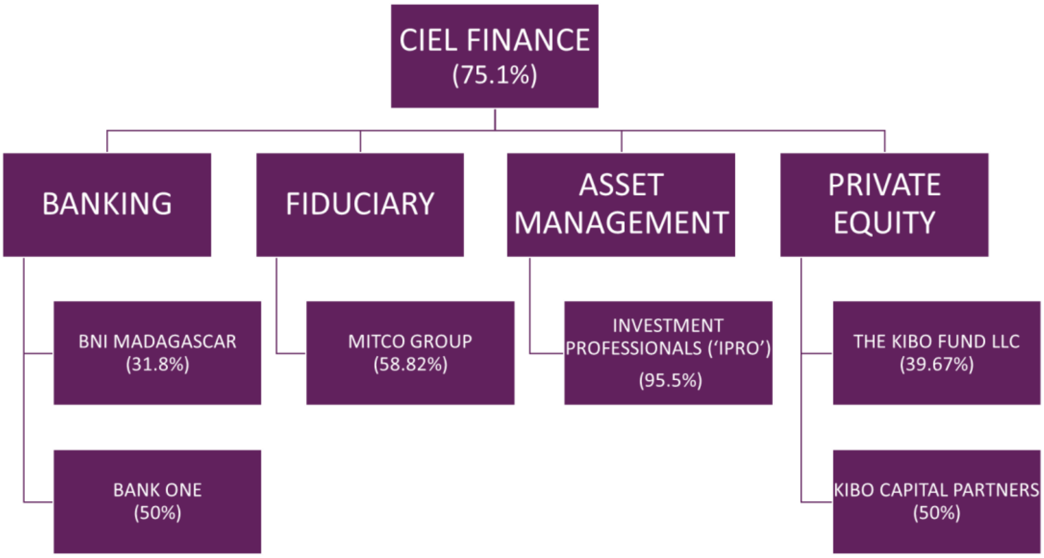
- SUN also achieved a growth of 14% in average daily rate ('ADR') and an increase of 3.4% in occupancy rate to reach 73.3% in a seasonally lower active quarter (September 2018).

- Finance costs for the quarter ended September 2018 were down 7% compared to same period last year following the rights issue and private placement made in August 2017.

- Forward bookings are encouraging for SUN's resorts and the results for the December 2018 semester should be better than the corresponding period last year.

- Anahita Golf & Spa Resorts' performance has slightly improved in the September 2018 quarter compared to the same period last year.

Financial Services



QUARTER END RESULTS

Audited			Quarter ended 30 September		
June 2018			2018	2017	Variance
	Income Statement				
2,611	Revenue	MUR'M	687	646	6%
724	Profit after tax	MUR'M	167	146	14%

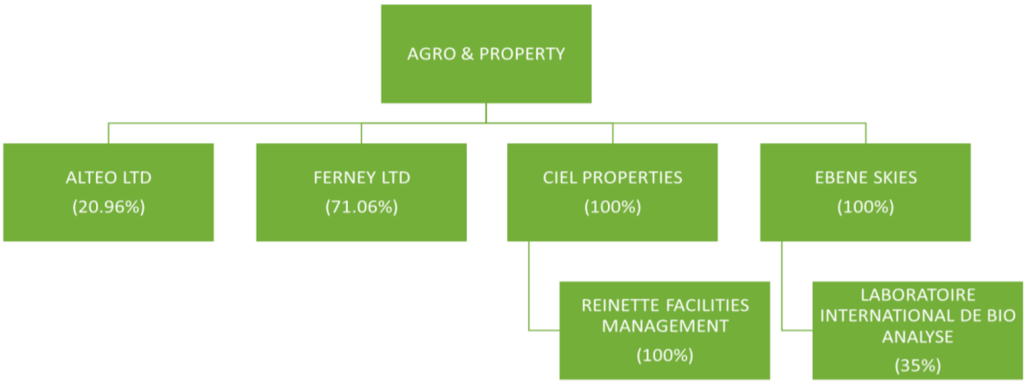
- The Finance cluster's quarter-on-quarter increase in revenue is mainly attributable to its banking arm – BNI Madagascar S.A. The results of Bank One, accounted for as a Joint Venture at Group level, have contributed to the increase in profit after tax of the cluster.

- Despite uncertainty linked to elections, BNI Madagascar has recorded an improvement in its net banking income and other income from its commercial activities compared to last year. BNI is still busy implementing its new strategy aimed at developing aggressively new retail banking services and offers, optimising the cost of its resources and improving efficiency. Management is closely monitoring the current presidential elections in Madagascar and a volatile situation in the market in terms of liquidity. The impact of the elections on the coming quarter remains unpredictable.

- Bank One has also recorded an improved performance owing to better revenues from most business lines, notably Private Banking and E-commerce. An upgrade of Bank One's core banking systems coupled with updated internet banking facilities have been launched in November 2018. With a strenghtened management team and a good strategy in place despite the recent changes in the tax legislation, the outlook is positive for Bank One. This despite the provision taken in the quarter following the recent changes in the tax legislation.

- MITCO remains under the pressure of an uncertain environment together with higher operational costs linked to the investments undertaken during the previous financial year to develop its regional presence. It is still early to assess the impact of recent regulatory and tax changes on existing and prospective business but management expects the measures implemented at operational level last financial year will improve efficiency.

Agro and Property



QUARTER END RESULTS

Audited			Quarter ended 30 September		
June 2018			2018	2017	Variance
	Income Statement				
107	Revenue	MUR'M	35	19	85%
104	Profit after tax	MUR'M	42	53	-21%

The results of the Agro & Property cluster for the quarter ended 30 September 2018 were driven down by the lower profitability of Alteo's sugar operations in Mauritius and in Tanzania though partially mitigated by the improved performance of the Energy and Property segments.

ALTEO

Geographic and sector-specific results are further detailed below:

Agri and Sugars

The Mauritian operations were affected mainly by the persistent low sugar prices. The recent measures announced by the Government to exclude millers and the fall in the fair value of biological assets also weighed on the results in Mauritius. The adverse world market conditions, the EU in particular, will continue to impact the sugar operations in addition to a fall in sugar production expected this year at rather low margins despite higher sucrose levels.

The Tanzanian sugar operations - TPC Limited ('TPC') – achieved lower profits despite the increase in sales due to priority given to lower margin imported sugar sales. TPC was also impacted by a slightly lower average price in the September 2018 quarter. However, the forthcoming quarters should be positive in terms of crop and sales of locally produced sugar which would help catch up with last year's volumes.

A higher sugar cane availability has contributed to the beginning of a turnaround in the Kenyan operations - Transmara Sugar Company Ltd ('TSCL') – where production and sales volumes have increased in the September 2018 quarter. Local prices have also been favourable in the domestic market and all these positive factors are expected to continue benefitting the sugar operations in Kenya.

Energy

On the energy front, profit after tax was better owing to an increase in the average tariff achieved by Alteo Energy Ltd (AEnL) and the control over maintenance costs at Consolidated Energy Co Ltd (CEL).

The Power Purchase Agreements ('PPAs') for CEL and AEnL will expire in December 2018 and the Central Electricity Board has notified CEL that it would not renew its PPA. The energy cluster's outlook remains uncertain as the terms of the renewed PPA for AEnL are still to be confirmed.

Property

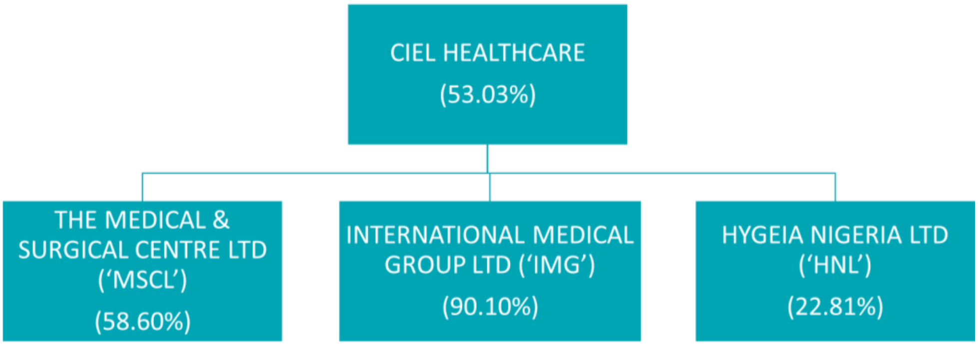
The results of the property segment for the quarter were positively impacted by property sales which had materialised in the September 2018 quarter compared to prior year when no properties sales had been booked. During the quarter, progress was made on the construction of seven off-plan villas sold in the prior year.

The property results were further enhanced by the improved performance Anahita Golf & Spa Resort driven by higher occupancy.

With the finalisation of several serviced plots sales in the second half of the financial year and the progress of off-plan villas construction, the property cluster's results are expected to continue improving.

CIEL's share of profit from Alteo fell from MUR 27M in the September 2017 quarter to MUR 10M in the September 2018 quarter.

Healthcare



QUARTER END RESULTS

Audited			Quarter ended 30 September		
June 2018			2018	2017	Variance
	Income Statement				
2,264	Revenue	MUR'M	588	552	6%
(63)	(Loss) after tax	MUR'M	8	(30)	73%

- The Healthcare cluster's revenue quarter-on-quarter is up on prior year predominantly due to the better performance of MSCL as the acquisition of Wellkin starts to gather momentum with occupancy rate improving.
- MSCL's profit after tax for the September 2018 quarter has improved by MUR 22M compared to same period last year owing to the continual progress of FCD coupled with improved results of Wellkin.
- As announced in August 2018, the Operation and Management Agreement ("O&M Agreement") signed with Fortis Healthcare International Limited ("FHIL") to operate, manage and market the services of both Wellkin and FCD is coming to an end on 31 December 2018. Both facilities will continue to operate separately under MSCL's management team. MSCL remains committed to strengthening the quality of patient care, increasing medical expertise and continuing to improve the level of service delivered.
- The outlook for the Healthcare cluster remains positive for the local operations but the trading environment for the Ugandan and Nigerian operations remain tough and the fast-changing regulatory sphere continues to put pressure on the African investments.

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Appendix

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2018

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP	
	30 Sep 18	30 Sep 17 Restated
	MUR '000	MUR '000
Revenue	6,084,662	5,539,037
Earnings Before Interests, Taxation, Depreciation and Amortisation (EBITDA)	615,804	387,088
Depreciation and amortisation	(302,295)	(291,908)
Earnings Before Interests and Taxation	313,509	95,180
Finance income	3,586	1,824
Finance costs	(201,605)	(192,498)
Share of results of joint ventures net of tax	41,312	23,993
Share of results of associates net of tax	6,949	26,601
Profit before taxation	163,751	(44,900)
Taxation	(34,254)	(5,721)
Profit after tax	129,497	(50,622)
Profit attributable to:		
Owners of the Parent	88,211	(24,581)
Non controlling interests	41,286	(26,041)
	129,497	(50,622)
Earnings per share MUR	0.05	(0.02)
Weighted average no. of ord shares for EPS Calculation (000)	1,642,818	1,586,213

	THE GROUP	
	30 Sep 2018	30 Sep 2017 Restated
TOTAL COMPREHENSIVE INCOME	MUR '000	MUR '000
Profit after tax	129,497	(50,622)
Other comprehensive income for the period	(157,166)	(174,020)
Total comprehensive income for the period	(27,669)	(224,642)
Attributable to:		
Owners of the Parent	(7,445)	(105,206)
Non-controlling interests	(20,224)	(119,436)
	(27,669)	(224,642)

CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	30 Sep 18	30 Jun 18
ASSETS	MUR '000	MUR '000
Non-current assets	37,509,965	37,600,719
Current assets	16,145,594	15,901,534
Non-current assets classified as held for sale	19,693	91,062
Total non specific banking assets	53,675,252	53,593,315
Total specific banking assets	16,067,193	15,291,361
TOTAL ASSETS	69,742,445	68,884,676
EQUITY AND LIABILITIES		
Capital and Reserves		
Owners' interests	14,371,982	14,386,057
Non controlling interest	10,338,298	10,362,278
Current liabilities	12,520,581	11,569,806
Non current liabilities	13,411,863	13,611,076
Specific banking liabilities*	19,099,721	18,955,459
TOTAL EQUITY AND LIABILITIES	69,742,445	68,884,676
NET ASSET VALUE PER SHARE MUR	8.75	8.76
NO OF SHARES IN ISSUE '000	1,642,818	1,642,818
NET INTEREST BEARING DEBT	15,850,309	15,498,238
Gearing = Debt/(Debt+Equity)	39.1%	38.5%

* Specific banking liabilities relate to deposits from customers of BNI Madagascar

CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP	
	30 Sep 18	30 Sep 17
	MUR '000	MUR '000
Cash from operating activities before working capital movements	502,550	133,345
Movement in working capital including banking (BNI)	(1,179,350)*	173,125
Net cash (used in)/from operating activities	(676,800)	306,470
Net cash used in investing activities	(254,930)	(1,074,536)
Net cash from financing activities	304,439	1,146,794
(Decrease)/increase in cash and cash equivalents	(627,291)	378,728
Movement in cash and cash equivalents		
At 1 July	4,680,768	3,978,471
(Decrease)/increase in cash and cash equivalents	(627,291)	378,728
Effect of foreign exchange	(132,544)	(71,631)
At 30 September	3,920,933	4,285,568

* Increase in working capital is mainly attributable to a movement of MUR 382M (2017: MUR 96M) in CTL and MUR 723M (2017: MUR 180M) invested in Central Bank of Madagascar Treasury Bills by BNI Madagascar S.A. due to surplus liquidity.

CONDENSED STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Owner's Interest Total	Non-Controlling Interests	Total Equity
	MUR '000	MUR '000	MUR '000
Balance at 1 July 2018	14,386,056	10,362,278	24,748,334
Total comprehensive income for the period	(7,445)	(20,224)	(27,669)
Employee share option scheme	2,952	-	2,952
Issue of shares to non-controlling interest	-	(11,465)	(11,465)
Effect of change in ownership	(7,882)	7,882	-
Other movements	(1,699)	(173)	(1,872)
Balance at 30 September 2018	**14,371,982**	**10,338,298**	**24,710,280**
Balance at 1 July 2017	13,904,426	9,759,140	23,663,566
- prior year adjustment	(249,943)	(36,301)	(286,244)
- as restated	13,654,483	9,722,839	23,377,322
Total comprehensive income for the period	(105,206)	(119,436)	(224,642)
Issue of shares	818,876	-	818,876
Issue of shares to non-controlling interest	-	856,626	856,626
Effect of change in ownership	(588,159)	(606,003)	(1,194,162)
Other movements	3,828	(3,228)	600
Balance at 30 September 2017	**13,783,822**	**9,850,798**	**23,634,620**