CIEL Limited reports financial results for the first quarter ended 30 September 2019

Executive Summary

Adoption of IFRS 16

CIEL Group has adopted IFRS 16 using the Modified Retrospective Approach in the reporting period beginning on 1 July 2019. The accounting standard deals with the accounting for leases and replaces IAS 17. No restatements were made to comparative periods which continue to be presented in terms of IAS 17 with a transitional adjustment of MUR 435M made to equity on 1 July 2019.

The implementation of IFRS 16 results in the recognition of lease liabilities of MUR 3.62bn and right-of-use assets of MUR 3.45bn as at 30 September 2019. IFRS 16 had a positive impact of MUR 87M on Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA'), a negative impact of MUR 48M on Depreciation and Amortisation, and a negative impact of MUR 52M on Finance Cost in the September 2019 quarter. Overall the adoption of IFRS 16 had a negative impact of MUR 13M on Profit after Tax ('PAT ') for the quarter.

Group Results

Group revenue for the quarter ended 30 September 2019 increased by 3% to MUR 6.27bn (2018: MUR 6.09bn) while EBITDA rose to MUR 728M (2018: MUR 616M). Excluding the effect of IFRS 16, EBITDA margin remained stable at 10%.

The Group PAT was at par with prior year at MUR 126M (2018: MUR 129M) for the period under review explained as follows:

- The Textile cluster posted steady results in the September 2019 quarter compared to prior year. The Woven segment remains the primary contributor to the cluster's profits while its operations in India have performed particularly well on the back of manufacturing efficiencies and good customer satisfaction. The Knits segment had a more challenging quarter with some operational challenges whilst the Knitwear segment posted better results on the back of an improved performance of its automated factory in Antsirabe, Madagascar.

- In this low seasonal quarter for the Hotels & Resorts cluster, SUN Limited ('SUN') saw a fall of 3.4% in occupancy rate whilst its average daily rate grew by 12.6% leading to financial results somewhat below those of last year mostly due to the impact of the phased renovation of the Sugar Beach resort.

- The Finance cluster achieved a 33% increase profit after tax year-on-year owing to the strong performance of its banking activities. Bank One and BNI Madasgascar performed well across most of their business lines.

- The Agro & Property cluster was impacted by the lower performance of Alteo Limited's ('Alteo') Mauritian and Kenyan sugar operations. In Mauritius, lower sucrose levels combined with the lack of industry support is putting the industry under stress whilst in Kenya lower sugar prices affected the quarterly results. A gain on sale of land at Ferney Limited had also boosted the cluster's results in prior year.

- The Healthcare cluster showed good progress this quarter compared to the same period last year owing to the operational efficiencies and higher occupancy rates achieved at Clinique Darne ('CD') and Wellkin Hospital ('Wellkin'). The trading conditions in Nigeria and Uganda have also improved.

At Company level, the Net Asset Value ('NAV') per share stood at MUR 6.51 as at 30 September 2019 (30 June 2019: MUR 7.02) reflecting mainly the fall in the share prices of SUN and Alteo.

CIEL Group's profit attributable to ordinary shareholders stood at MUR 73M (2018: MUR 88M) for the quarter under review.

KEY FIGURES

GROUP CONSOLIDATED REVENUE	GROUP EBITDA	GROUP PROFIT AFTER TAX	PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	GROUP NAV PER SHARE
▲ 6.27	▲ 728	▼ 126	▼ 73	▼ 7.60
3% MUR bn	18% MUR M	3% MUR M	18% MUR M	2% MUR
MUR 6.09 bn - 30 September 2018	MUR 616 M - 30 September 2018	MUR 129M - 30 September 2018	MUR 88 M - 30 September 2018	MUR 7.79 - 30 June 2019

QUARTER ENDED 30 SEPTEMBER 2019

		Quarter ended 30 September		
		2019	2018	Variance
Group Income Statement				
Revenue	**MUR 'M**	**6,273**	6,085	**3%**
Textile	MUR 'M	**3,497**	3,502	(0%)
Hotels and Resorts	MUR 'M	**1,256**	1,288	(2%)
Finance	MUR 'M	**819**	687	19%
Agro and Property	MUR 'M	**39**	35	10%
Healthcare	MUR 'M	**668**	588	13%
CIEL*	MUR 'M	**255**	41	521%
Group Elimination	MUR 'M	**(260)**	(56)	(362%)
EBITDA[1]	**MUR 'M**	**728**	616	**18%**
Textile	MUR 'M	**361**	335	8%
Hotels and Resorts	MUR 'M	**29**	(21)	239%
Finance	MUR 'M	**257**	216	19%
Agro and Property	MUR 'M	**6**	41	(85%)
Healthcare	MUR 'M	**90**	57	58%
CIEL*	MUR 'M	**190**	(16)	1260%
Group Elimination	MUR 'M	**(204)**	4	-
Profit after tax	**MUR 'M**	**126**	129	**(3%)**
Textile	MUR 'M	**201**	199	1%
Hotels and Resorts	MUR 'M	**(259)**	(246)	(5%)
Finance	MUR 'M	**223**	167	33%
Agro and Property	MUR 'M	**(18)**	42	(142%)
Healthcare	MUR 'M	**28**	8	(247%)
CIEL*	MUR 'M	**155**	(44)	(453%)
Group Elimination	MUR 'M	**(204)**	3	-

[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 2019	**30-Jun 2019 Restated**	**Variance**
Statement of Financial Position				
Group total assets	MUR 'M	**72,582**	68,984	5%
Total portfolio	MUR 'M	**13,810**	14,141	(2%)
Company net asset value per share	MUR	**6.51**	7.02	(7%)

Group Results – First Quarter September 2019 Against First Quarter September 2018	% Movement

Revenue 3% ↑

Group revenue for the quarter increased by 3% from MUR 6.09bn to MUR 6.27bn primarily due to the higher turnover of the Finance cluster's banking activity – BNI Madagascar and the growth in revenue of the Healthcare cluster's local investment - C-Care.

Earnings before Interests, Taxation, Depreciation and Amortisation (EBITDA) 18% ↑

Double-digit growth in EBITDA for the quarter is mainly attributable to the application of IFRS 16, the new accounting treatment for leases, which had a positive impact of MUR 87M on EBITDA, the positive contribution of the Finance cluster on the back of higher interest income from BNI Madagascar and to a lesser extent the Textile and Healthcare clusters.

Depreciation and Amortisation 19% ↑

The increase in the quarter-on-quarter depreciation and amortisation mainly attributable to the application of IFRS 16 which had an impact of MUR 48M on depreciation.

Net Finance Costs 40% ↑

Finance costs were up 40% mainly due to the application of IFRS 16 with an impact of MUR 52M and to a lesses extent, the secured fixed rate notes of MUR 1bn taken by CIEL Limited in June 2019 to finance the acquisition of CTL and C-Care.

Share of Results of Joint Venture Net of Tax 43% ↑

The increase is mainly attributable to the improvement in the results of Bank One.

Share of Results of Associates Net of Tax 253% ↓

The decrease is primarily driven by the lower results of Alteo in the Agro & Property cluster. Alteo's sugar operations in Mauritius suffered from a lower sucrose level and persistent low sugar price while its Kenyan operations were also affected by a sharp fall in the average price of sugar for the quarter.

Profit Before Tax 7 % ↑

Profit Before Tax fell slightly from MUR 164M in the September 2018 quarter to MUR 152M this quarter mainly owing to the lower performance Alteo and to a lesser extent the challenges faced by SUN in the Hotels & Resorts cluster due to the low seasonal quarter.

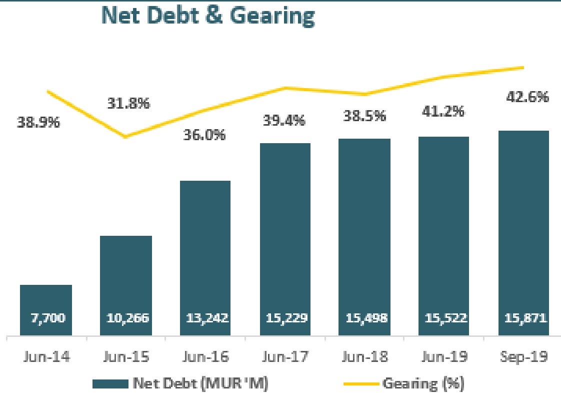
Taxation 25% ↓

The lower tax charge for the quarter results from CTL.

Profit after Tax and Profit Attributable

Group profit after tax stood at MUR 126M (2017: MUR 129M) and profit attributable to ordinary shareholders was MUR 73M (2017: MUR 88M) for the quarter under review.

GROUP RESULTS

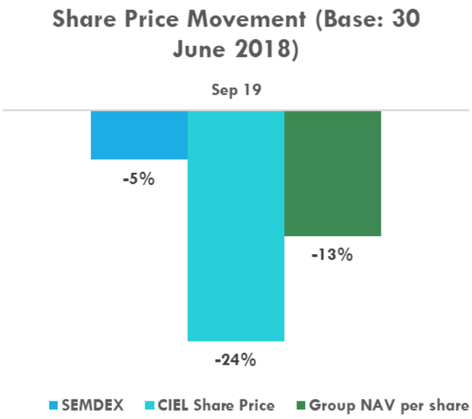


*Gearing = Debt / (Debt+Equity)

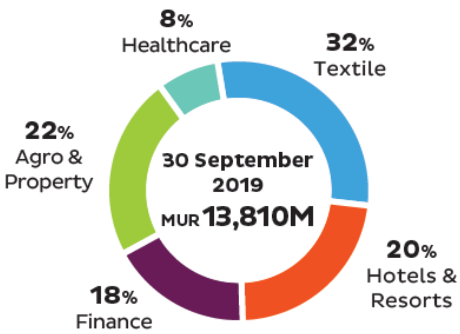
GROUP NET DEBT AND GEARING

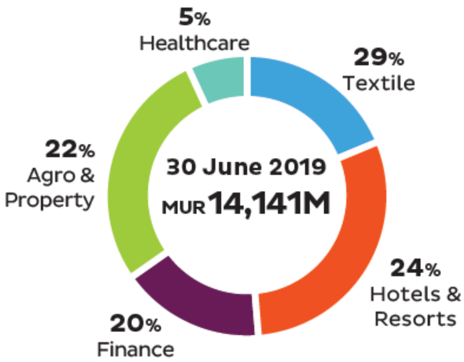
There was a slight increase in CIEL's gearing ratio from 41.2% as at June 2019 to 42.6% as at September 2019 mainly due to additional debt taken by CIEL Limited and CIEL Finance to finance additional investment in underlying investee companies.

Share Price & GROUP NAV



COMPANY INVESTMENT PORTFOLIO



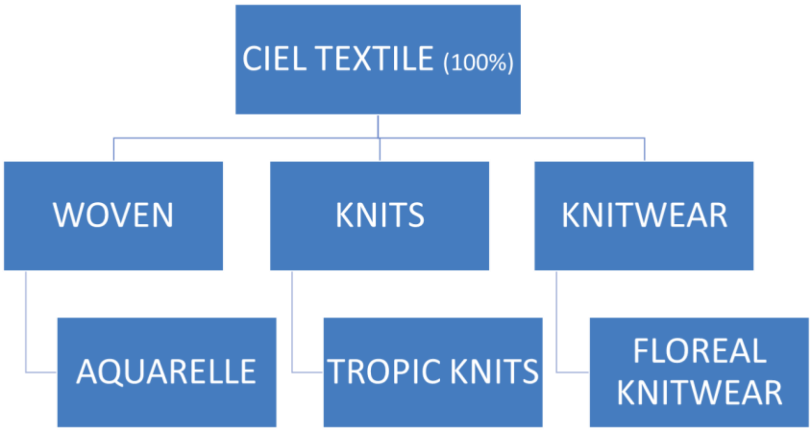


- All listed subsidiaries are valued at market price except for SUN which is valued at market price plus a 10% premium.
- The Company's investment portfolio fell 2.3 percentage points from MUR 14,141M in June 2019 to MUR 13,810M in September 2019 mainly due to a fall in the share price of SUN and Alteo.
- CTL was valued at the latest transaction price of MUR 44 – no change from the June 2019 valuation. CIEL has acquired 100% in CTL during the September 2019 quarter.
- The Hotels & Resorts cluster's lower contribution to the portfolio is due to SUN's 21% fall in the share price from MUR 35 to MUR 27.50 over the September 2019 quarter.
- There has been a decrease in the Finance cluster's portfolio valuation mainly due to additional debt contracted by CIEL Finance Limited to finance the capitalisation of Bank One.
- Alteo's (Agro & Property cluster) share price fell by 12% from MUR 18.80 as at 30 June 2019 to MUR 16.60 as at 30 September 2019.
- The Healthcare cluster's value has contributed positively to the portfolio owing to the increase stake of CIEL Healthcare in C-Care from 58.60% to 67.41% and CIEL's direct acquisition of 20.08% of C-Care despite the slight fall of 3% in the share price of C-Care from MUR 2.84 in June 2019 to MUR 2.76 in September 2019.

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 2019			2019	2018	Variance
	Income Statement				
12,151	Revenue	MUR'M	3,497	3,502	0%
453	Profit after tax	MUR'M	201	199	1%

The results of CTL are at par with prior year on both turnover and profit after tax lines.

The Woven(Aquarelle) segment remains the primary contributor to turnover and profitability of the cluster. The overall performance of Aquarelle remains good on the back of higher volumes and margins with good customer satisfaction, particularly in India.

The Knitwear segment (Floreal) has performed well in the September 2019 quarter compared to the same period in prior year mainly owing to the positive results of the operations in Bangladesh and the good progress made at its automated factory in Antsirabe, Madagascar.

The Knits' operations in the region continue to be difficult with manufacturing efficiency issues despite a good order book.

Outlook

CTL remains focused on improving manufacturing efficiencies to improve customer satisfaction. Front-end strategies remain on top of CTL's priorities.

Hotels & Resorts

QUARTER END RESULTS

Audited			Quarter ended 30 September		
June 2019			2019	2018	Variance
	Income Statement				
6,615	Revenue	MUR'M	1,256	1,288	-2%
(1,893)	(Loss) after tax	MUR'M	(259)	(246)	-5%

The Hotels & Resorts cluster posted lower results for the quarter ended 30 September 2019 owing to the low seasonality faced by SUN over the quarter.

SUN's revenue was down on the same quarter last year due to the lower room inventory following the phased renovation of Sugar Beach and the lower tourist arrivals by air in the tourism industry in Mauritius.

SUN achieved a growth of 12.6% in average daily rate ('ADR') despite a fall of 3.4% in occupancy rate to reach 69.9%(excluding rooms closed for renovation) in a seasonally lower active quarter (September 2019).

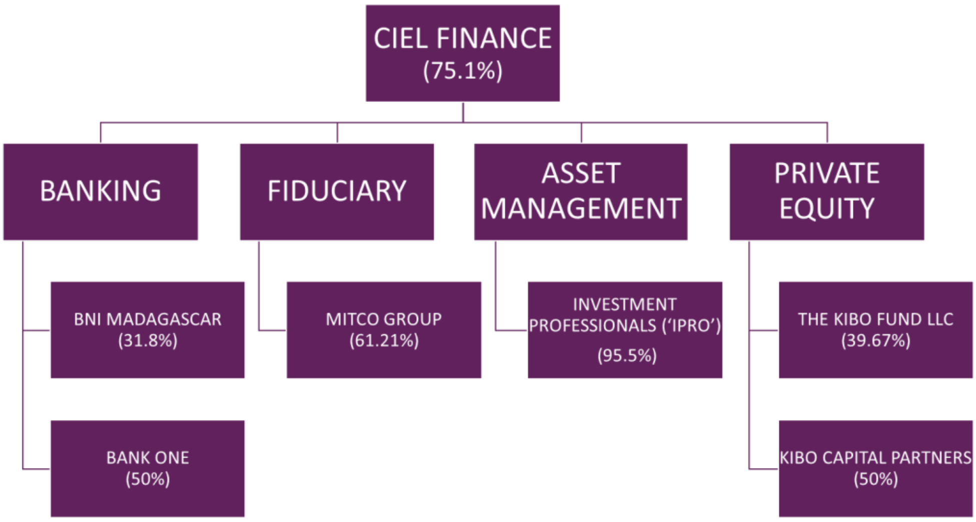
The market in the Maldives remains competitive with the opening of new resorts despite a 10% rise in tourist arrivals by air in the September 2019 quarter.

The results of SUN were impacted by a provision for debtors of MUR 15.4M following the bankruptcy of Thomas Cook Group UK Limited ("Thomas Cook"), a major UK tour operator.

Forward bookings are likely to be lower for SUN due to the current trading conditions and the cancellations caused by the collapse of Thomas Cook. Despite this negative trend and provided the booking trend does not deteriorate, the results for the December 2019 semester should be marginally lower than the same period last year.

Anahita Golf & Spa Resorts' performance has slightly improved in the September 2019 quarter compared to the same period last year.

Financial Services



QUARTER END RESULTS

Audited			Quarter ended 30 September		
June 2019			2019	2018	Variance
	Income Statement				
2,853	Revenue	MUR'M	819	687	19%
630	Profit after tax	MUR'M	223	167	33%

The Finance cluster's year-on-year increase of 19% in revenue and 33% in PAT is mainly attributable to its banking arm – BNI Madagascar S.A which has recorded an improvement in its net banking income and other income from its commercial activities compared to last year, whilst IFRS 9 – Financial Instruments impacted negatively on the level of provisioning and the profitability of the bank this quarter.

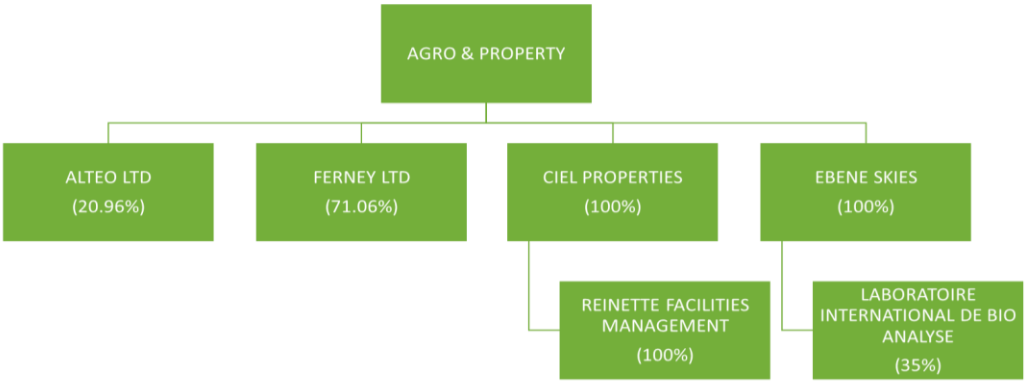
BNI's strategy aimed at developing more aggressively new retail banking services and offers, optimising the cost of its resources and improving efficiency is proving to be beneficial despite an adverse foreign exchange evolution in the local currency against the Mauritian rupee.

Bank One has also recorded an improved operational performance owing to better revenues from most business lines.

With a strengthened management team Bank One continues to focus on developing its asset base and on building client-focused solutions with all business lines evolving positively in terms of revenues and operational contribution. In particular, the new retail banking strategy has started showing progress as well as the new Elite Banking department.

MITCO has recorded a lower performance in the quarter ended 30 September 2019 compared to the same period in prior year. This is mainly due to accounting methodology changes, notably IFRS 9. Revenue and operating costs remain at par with prior year in an environment under the influence of the recent regulatory and tax changes which impact negatively on the incorporation of new structures. Management is working on repositioning MITCO in this new business environment while implementing a new process optimisation and quality improvement programme.

Agro and Property



QUARTER END RESULTS

Audited			Quarter ended 30 September		
June 2019			2019	2018	Variance
	Income Statement				
142	Revenue	MUR'M	39	35	10%
(63)	(Loss)/Profit after tax	MUR'M	(18)	42	-142%

The results of the Agro & Property cluster for the quarter ended 30 September 2019 were driven down by the lower profitability of Alteo's sugar operations in Mauritius and Kenya. A gain on sale of land at Ferney Limited had boosted the cluster's results in prior year.

ALTEO

Geographic and sector-specific results are further detailed below:

Agri and Sugars

Despite the higher sugarcane yields in the September 2019 quarter, the Mauritian operations were affected mainly by the lower sucrose levels and the lack of Government support measures which benefitted the industry in the previous crop season. Also, a fair value loss on biological assets affected the results.

In the short to medium term, the adverse price conditions on the world market conditions, the EU in particular, will continue to impact the sugar operations and Alteo will become heavily reliant on cash generated from sale of land to finance the operational losses. To tackle these challenges, management has been focusing on cost reductions and efficiency maximisation. Beside the support measures implemented for crops 2018 and 2019, Government is yet to come forth with longer term reforms, including a comprehensive biomass framework.

The Tanzanian sugar operations - TPC Limited ('TPC') – achieved increased profits despite a fall in sales caused by the lower volumes. The higher average price secured on the sale of locally produced sugar and a higher profit margin achieved on the sale of imported sugar comtributed to the better results. Sugar prices are expected to strengthen.

The Kenyan operations - Transmara Sugar Company Ltd ('TSCL') were loss-making due to a sharp drop in the average sugar price in the quarter. The September 2018 quarter results were also boosted by a higher price caused by the seizure of large stocks of sugar unfit for consumption by the Government. A higher sugarcane availability should benefit the Kenya sugar operations but the sugar prices are expected to fall below the long term average and this could have a negative effect on the forthcoming quarters.

Energy

On the energy front, the results were driven down by the closure of the operations of Consolidated Energy Co Ltd ('CEL') since its Power Purchase Agreement (PPA) expired in December 2018.

Following the re-negotiation of its PPA, Alteo Energy Ltd ('AEnL') benefits from a lower tariff. Also, an additional depreciation expense at AEnL following a recent equipment review has affected the September 2019 results. The energy cluster results are expected to maintain the same trend.

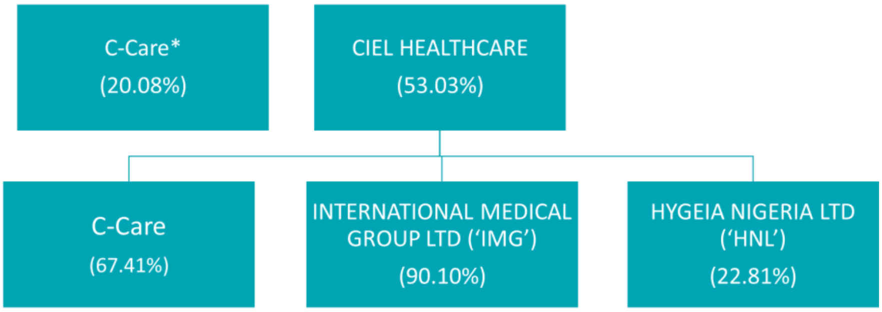
Property

The results of the property segment for the quarter were positively impacted by property sales which had materialised in the September 2019 quarter. During the quarter, progress was made on the construction of eight off-plan villas sold in the prior year.

Anahita Golf & Spa Resort and Anahita Golf Club posted stable results.

As the sales of several serviced plots continue to materialise and as the construction of off-plan villas progresses, the property cluster's results are expected to continue improving.

Healthcare



* Direct shareholding by CIEL Limited

QUARTER END RESULTS

			Quarter ended 30 September		
June 2019			2019	2018	Variance
	Income Statement				
2,495	Revenue	MUR'M	668	588	13%
(143)	Profit/(Loss) after tax	MUR'M	28	8	247%

As of 8 July 2019, CIEL's direct shareholding in C-Care (Mauritius) Ltd amounts to 20.08% and CIEL Healthcare Limited's shareholding has increased from 58.60% to 67.41%.

The Healthcare cluster's revenue quarter-on-quarter is up on prior year predominantly due to the better performance of C-Care as the performance of CD and Wellkin continues to improve with an increase in the number of patients and higher quality services.

C-Care's profit after tax for the September 2019 quarter has improved by MUR 26M compared to same period last year to stand at MUR 28M owing to the continual progress of CD coupled with improved results of Wellkin.

The outlook for the Healthcare cluster remains positive for the local operations. The trading environment of the Ugandan and Nigerian operations remain tough but the September 2019 quarter showed signs of improvement.

About CIEL:

CIEL is a leading diversified investment group headquartered in Mauritius, operating five business clusters (Agro & Property, Textile, Hotels and Resorts, Financial Services and Healthcare) spread across Mauritius, Africa and Asia with 35,000 employees. Since its beginnings in agriculture in 1912, the pioneering group is continuously exploring new avenues of development and international expansion. In 2014, following the merger of one of its investment companies, CIEL Investment Ltd, into the Group's holding company, Deep River Investment Ltd, the Group was renamed CIEL Limited. It has now acquired an international dimension not only at operational level but also at shareholder level, while the ultimate control of the company remains with local shareholders. With a market capitalisation of about MUR 10.5bn (USD 372M) as at 30 June 2019 and a consolidated audited turnover of MUR 24.21bn (USD 840M) for its financial year ended 30 June 2019, CIEL is one of the largest listed Mauritian companies.

For more information, visit www.cielgroup.com

CIEL Annual Report 2018 Website: http://annual-report.cielgroup.com/2018

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Appendix

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2019

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

		THE GROUP	
		30-Sep-19	30-Sep-18
		MUR '000	MUR '000
Revenue		6,273,189	6,084,662
Earnings Before Interests, Taxation, Depreciation and Amortisation (EBITDA)		728,098	615,804
Depreciation and amortisation		(360,367)	(302,295)
Earnings Before Interests and Taxation (EBIT)		367,731	313,509
Finance income		5,538	3,586
Finance costs		(271,467)	(201,605)
Share of results of joint ventures net of tax		59,210	41,312
Share of results of associates net of tax		(9,384)	6,949
Profit before taxation		151,628	163,751
Taxation		(25,612)	(34,254)
Profit after tax		126,016	129,497
Profit attributable to:			
Owners of the Parent		72,607	88,211
Non controlling interests		53,409	41,286
		126,016	129,497
Earnings per share	MUR	0.04	0.05
Weighted average no. of ord shares for EPS Calculation	(000)	1,675,954	1,642,818

	THE GROUP	
	30-Sep-19	30-Sep-18
TOTAL COMPREHENSIVE INCOME	MUR '000	MUR '000
Profit after tax	126,016	129,497
Other comprehensive income for the period	69,459	(157,166)
Total comprehensive income for the period	195,475	(27,669)
Attributable to:		
Owners of the Parent	108,254	(7,445)
Non-controlling interests	87,221	(20,224)
	195,475	(27,669)

CONDENSED STATEMENTS OF FINANCIAL POSITION

		THE GROUP	
		30-Sep-19	30-Jun-19
ASSETS		MUR '000	MUR '000
Non-current assets		38,231,322	35,113,803
Current assets		14,985,829	14,857,639
Non-current assets classified as held for sale		12,726	12,726
Total non specific banking assets		53,229,877	49,984,168
Total specific banking assets		19,352,530	19,000,002
TOTAL ASSETS		72,582,407	68,984,170
EQUITY AND LIABILITIES			
Capital and Reserves			
Owners' interests		12,797,866	12,935,181
Non controlling interest		8,582,064	9,195,956
Current liabilities		12,253,139	12,588,789
Non current liabilities		18,718,091	14,185,928
Specific banking liabilities*		20,231,247	20,078,316
TOTAL EQUITY AND LIABILITIES		72,582,407	68,984,170
NET ASSET VALUE PER SHARE	MUR	7.60	7.79
NO OF SHARES IN ISSUE	'000	1,684,334	1,660,274
NET INTEREST BEARING DEBT**		15,871,275	15,521,512
Gearing = Debt/(Debt+Equity)		42.6%	41.2%

* Specific banking liabilities relate to deposits from customers of BNI Madagascar
** Exclude right of use liabilities under IFRS 16

CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP	
	30-Sep-19	30-Sep-18
	MUR '000	MUR '000
Cash from operating activities before working capital movements	554,435	502,550
Movement of working capital of specific banking assets and liabilities*	280,900	(670,418)
Movement of working capital of non-specific banking assets and liabilities	24,909	(508,932)
Net cash from/(used in) operating activities	860,244	(676,800)
Net cash used in investing activities	(998,010)	(254,930)
Net cash generated from financing activities	223,860	304,439
Increase/(Decrease)in cash and cash equivalents	86,094	(627,291)
Movement in cash and cash equivalents		
At 1 July	4,501,358	4,680,768
Increase/(Decrease)in cash and cash equivalents	86,094	(627,291)
Effect of foreign exchange	(29,545)	(132,544)
At 30 September	4,557,907	3,920,933

*Specific banking assets and liabilities consist of: Loans and advances to customers, Loans to banks, Investment in securities and Deposits from customers

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 2019	12,935,181	9,195,956	22,131,137
- Effect of adoption of IFRS 16	(246,862)	(188,145)	(435,007)
- as restated	12,688,319	9,007,811	21,696,130
Total comprehensive income for the period	108,254	87,221	195,475
Other movements	1,293	(512,968)	(511,675)
Balance at 30 September 2019	12,797,866	8,582,064	21,379,930
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)
Other movements	(6,629)	(3,756)	(10,385)
Balance at 30 September 2018	14,371,982	10,338,298	24,710,280