

**TEXTILE**  
**AGRO & PROPERTY**  
**HOTELS & RESORTS**  
**FINANCE**  
**HEALTHCARE**

PORTFOLIO  
**REVIEW**

# CIEL EXECUTIVE REPORT

## OVERVIEW

This year has been a year of further consolidation as we continued to roll-out our clearly defined strategy. This process started more than two years ago, during which time CIEL has identified and positioned itself in high growth potential sectors and reshaped its investment portfolio into five distinct clusters:



TEXTILE



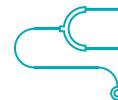
AGRO &  
PROPERTY



HOTELS  
& RESORTS



FINANCE



HEALTHCARE

In the year under review, we have strengthened our investment portfolio by making a number of strategic acquisitions and establishing strong partnerships, namely in the healthcare and in the finance sectors, whilst at the same time working at consolidating the existing operations in the other clusters.

More specifically, at the CIEL Healthcare cluster level, we have strengthened our shareholder base by teaming up with world-class partners including International Finance Corporation and Proparco. CIEL Healthcare also bought a significant stake, alongside a consortium of investors, in Hygeia Nigeria Limited, a leading private healthcare service provider in Nigeria.

At CIEL Finance level, Amethis Finance has injected a second tranche of investment and increased its stake to 24.9%.

## PERFORMANCE OVERVIEW

	Group revenue		Group profit before non-recurring items and tax	
	2016 MUR'M	2015 MUR'M	2016 MUR'M	2015 MUR'M
Textile	10,508	10,131	862	857
Agro & Property	87	78	59	112
Hotels & Resorts	4,989	4,214	(41)	153
Finance	1,932	1,929	827	885
Healthcare	1,224	289	84	22
CIEL - Holding Company	346	382	190	200
Group Elimination	(554)	(568)	(347)	(380)
	<b>18,533</b>	16,455	<b>1,634</b>	1,849

CIEL Limited achieved a 13% year-on-year revenue growth as the Group benefited from the larger base of its diversified and increasingly international investment portfolio that it set out to develop in 2014. The results of the Textile, Finance and Healthcare clusters helped mitigate the negative impact of the Hotels & Resorts cluster on the Group's profitability for the period under review. Group profit before non-recurring items and tax stood at MUR 1.6bn while Group Profit after Tax stood at MUR 1.18bn.

A detailed performance review and main achievements of our five clusters is given in the following sections.

# CIEL TEXTILE

## EXECUTIVE REPORT



CIEL owns 56.31% of CIEL Textile Limited, a company listed on the Development and Enterprise Market of the Stock Exchange of Mauritius. CIEL Textile is a world-class global player in textile and garments operations, spanned across Mauritius, Madagascar, India and Bangladesh.

CIEL Textile has developed into a regional one-stop shop for textiles, with vertically integrated business units, from yarn spinning to finish garments. The Group positions itself as the best alternative to China with the objective to deliver unbeatable value to medium and upmarket retailers.

### Quote from the CEO

**“Aquarelle group was the star performer this past year, with sales increasing by 3% to MUR 5.8bn and a healthy increase of 15% in profit after tax (PAT) to MUR 485.5M. Aquarelle group today accounts for 55% of the group turnover and 69% of its PAT.**

**Our strategic plan for all divisions all go in the same direction where we aim to be recognised as the “best” in terms of customer satisfaction and financial performance.**

**Our regional strategy (Mauritius & Madagascar) focuses on an upmarket move and cost competitiveness improvements.**

**Our globalisation strategy focuses on growth; first in the Indian sub-continent (India & Bangladesh) followed by sub-China region”.**

**J. Harold Mayer**, CEO of CIEL Textile

### Management Team



**J. Harold Mayer**  
CEO of CIEL Textile



**Eric Dorchies**  
CEO Woven Cluster



**Jean-Baptiste Doger de Spéville**  
CEO Knitwear and Knits Clusters



**Guillaume Dalais**  
Joint CEO Tropic Knits Group



**Bertrand Thevenau**  
Joint CEO Tropic Knits Group

## 3 clusters

### Woven

- Aquarelle Clothing
- Consolidated Fabrics
- Laguna Clothing
- Pastel Blue

### Fine Knits

- Tropic Knits
- CDL Knits

### Knitwear

- Floreal Knitwear
- Ferney Spinning Mills

## Key Facts and Figures

# 20

**PRODUCTION UNITS**

**MAURITIUS:** 8

**MADAGASCAR:** 6

**INDIA:** 5

**BANGLADESH:** 1



# 33M

**GARMENTS  
EXPORTED  
ANNUALLY**

**OVER**

# 20,000

**EMPLOYEES**

**LISTED ON THE  
DEVELOPMENT AND  
ENTERPRISE MARKET  
OF THE STOCK EXCHANGE  
OF MAURITIUS**

# 18%

**OF OUR PORTFOLIO**

# CIEL TEXTILE

## EXECUTIVE REPORT

### Financial Performance

CIEL Textile	Year ended 30 June		
	2016 MUR'M	2015 MUR'M	Variance MUR'M
Revenue	<b>10,508</b>	10,131	377
EBITDA	<b>1,153</b>	1,126	27
Profit before tax	<b>862</b>	857	5
Profit after tax	<b>704</b>	762	(58)
Profit attributable to CIEL shareholders	<b>353</b>	396	(43)

- CIEL Textile Limited achieved satisfactory results. The woven cluster's strong performance, both in the Indian Ocean region and in Asia, has been the main contributor to the Group's profitability. The Knits cluster has performed satisfactorily although its financial results have been impacted by the launch of its new factory in India. The Knitwear cluster's profitability saw a significant drop in margins and was affected by the setting up cost of a newly automated facility in Antsirabe, Madagascar.
- The current international retail environment, combined with the recent currency fluctuations, are areas of concern; generating a stronger sales' momentum remains a key priority for the CIEL Textile team.
- Despite this challenging environment, the Woven cluster is expected to deliver a satisfactory performance in the current financial year. The results of the Knits cluster will remain partly dependent on the successful development of its operations in India while the restructuring of the industrial activities of the Knitwear cluster is only anticipated to have a medium term positive impact on CIEL Textile's results.

## KEY ACHIEVEMENTS IN **2015-16**

- **SOLID PERFORMANCE OF AQUARELLE ON BOTH FINANCIAL AND NON-FINANCIAL SCOREBOARDS**

Aquarelle's growth journey continues with excellent performance in Mauritius, Madagascar and in the Indian sub-continent. Besides, its customer satisfaction and operational excellence scores are also high and used as benchmark for sister companies.

- **RESTRUCTURING AT FLOREAL KNITWEAR**

Two production units have been discontinued (in Madagascar & Mauritius) whilst a state-of-the-art fully automated factory was opened in Antsirabe (Madagascar).

- **NEW FACTORY FOR TROPIC KNITS GROUP IN INDIA**

Tropic Knits continued its globalisation strategy with the opening of a new factory in Coimbatore. Regional operations (Mauritius and Madagascar) have shown good results and improvements.

- **VERY GOOD CUSTOMER SATISFACTION ACROSS THE GROUP**

The customer satisfaction scoreboard remained high in general

- **STRONG OPERATIONAL EXCELLENCE**

Operational excellence in manufacturing remained a major strength in all units and divisions.

## STRATEGIC DIRECTIONS FOR **2016-17**

- **PURSUE CIEL TEXTILE GLOBALISATION STRATEGY**

The focus will be first, on the Indian sub-continent (India & Bangladesh) where the Group already operates 6 production units, and then on sub-China region where Aquarelle wants to attack the US, Chinese and Japanese markets from.

- **ENGINEER AN 'UPMARKET MOVE' FOR AQUARELLE'S OPERATIONS IN MAURITIUS AND MADAGASCAR**

Development of a non-iron shirt facilities in Madagascar for Aquarelle group in 2017.

- **CONSOLIDATION OF OPERATIONS AND COST COMPETITIVENESS IMPROVEMENTS FOR FLOREAL'S REGIONAL OPERATIONS**

Significant cost reduction plan in Floreal Knitwear via a major industrial reorganisation, leading to all production being concentrated in two factories in Madagascar and one in Bangladesh.

- **FOCUS ON TROPIC KNITS' NEW OPERATIONS IN INDIA**

Investments in operational excellence, sophisticated marketing and customer satisfaction for this new facility before increasing production capacity.

- **TALENT MANAGEMENT TO ACCOMPANY CIEL TEXTILE'S DYNAMISM**

Jean-Baptiste Doger de Speville will hand-over his responsibilities as head of the Knitwear cluster on 30 March 2017 to Guillaume Dalais, who joined Floreal on 1 July 2016. Guillaume will also keep his responsibility as joint CEO at Tropic Knits group with Bertrand Thevenau.

# CIEL AGRO & PROPERTY

## EXECUTIVE REPORT



CIEL Agro and Property is CIEL's cluster that regroups all the agricultural and property investments and activities of the Group.

CIEL has gradually diversified in the property sector while remaining a key stakeholder in the agro-industry sector. CIEL Agro & Property includes its 20.96% shareholding in Alteo Limited, a listed company on the Official Market of the Stock Exchange of Mauritius ("SEM") since 2012.

Also part of the CIEL Agro & Property cluster is Ferney Limited, an important agricultural land-owner (3,000 hectares) situated close to the airport on the South East coast of Mauritius and Ebene Skies Limited, a six level building where CIEL is headquartered.

### More about Alteo

Alteo is the largest sugar producer in Mauritius and a key player in the region. Its three sugar factories in Mauritius, Tanzania and Kenya process 330,000 tons of sugar annually. In addition, Alteo owns and operates three power plants (two in Mauritius, one in Tanzania) using a mix of bagasse and coal and producing approximately 456 GWh, partly exported to the grid.

Furthermore, Alteo is also the owner and developer of Anahita, a luxury real estate sanctuary located on the East coast of Mauritius, a part of the island where it also owns 15,400 hectares of land (of which 11,250 are used for sugarcane cultivation).

## Management Team



**Patrick de L. d'Arifat**  
CEO of Alteo Limited



**Jean-Marc Rivet**  
General Manager of CIEL Properties

## CIEL Agro & Property Main Investments (% ownership)



## Key Facts and Figures

OPERATIONS IN

**3 COUNTRIES:**

- MAURITIUS
- TANZANIA
- KENYA



**200 HECTARES OF  
NATURE RESERVE**

### KEY PARTNER

#### TEREOS

The world's 3rd largest sugar group co-investing with us in Africa.

**3 SUGAR FACTORIES**

**3 POWER PLANTS**

**7,800**  
SQUARE METERS  
OF **OFFICE SPACE**

**3,000**

**HECTARES OF LAND  
LOCATED IN THE  
SOUTH EAST REGION  
OF MAURITIUS**

MORE THAN  
**6,000**  
**EMPLOYEES**

**25%**  
**OF OUR PORTFOLIO**

# CIEL AGRO & PROPERTY EXECUTIVE REPORT (CONT'D)

## Financial Performance

### FULL YEAR RESULTS

CIEL Agro and Property	Year ended 30 June		
	2016 MUR'M	2015 MUR'M	Variance MUR'M
Revenue	87	78	9
EBITDA	29	31	(2)
Profit before non-recurring items and tax	59	112	(53)
Increase in fair value of investment properties/ Sale of properties (Ferney)	127	168	(41)
Profit after tax	183	276	(93)
Profit attributable to CIEL shareholders	151	231	(80)

The profit drop reflects the reduced number of plots of land sold by Ferney Limited compared to last year, as well as lower contribution from property activities. Alteo was also impacted by an increase in finance costs linked to the debt contracted for the acquisition of Transmara Sugar Company Limited ("TSCL").

#### ALTEO

Geographic and sector-specific results are further detailed below:

- Results for the sugar cluster in Mauritius were better than 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 movement in biological asset fair value.
- 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 movement in biological asset fair value.
- TSCL in Kenya showed encouraging performance in the third and fourth quarters in terms of both production and prices.
- 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.
- 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.

Consequently, CIEL's share of profit from Alteo decreased by MUR 49M to MUR 55M for the year under review.

## KEY ACHIEVEMENTS IN **2015-16**

- **CONSOLIDATION OF TRANSMARA SUGAR COMPANY LIMITED**

Alteo consolidated for the full year its Kenya acquisition which production capacity has been increased during the year.

- **HIGHER CRUSHING TARGETS IN KENYA**

Alteo achieved higher production in Kenya

- **MARKET LAUNCH OF JEAN-MICHEL WILMOTTE SIGNATURE VILLAS AT ANAHITA**

Anahita Estates Ltd (part of Alteo) sealed a partnership with renowned architects, namely Jean-Michel Wilmotte and Alistair MacBeth, to develop exclusive villas on the northern parcel of Anahita.

## STRATEGIC DIRECTIONS FOR **2016-17**

- **INTERESTING PROSPECTS WITH RECENT INCREASE IN WORLD SUGAR PRICE ASSOCIATED WITH A SUGAR PRODUCTION DEFICIT**

Alteo should benefit from a higher sugar price on the world market for both its exports towards Europe as well as for sugar produced for African markets.

- **LAUNCH OF THE ANAHITA HIGH-END NORTHERN PARCELS**

Anahita Estates Ltd will start the construction of exclusive villas on the northern part of the estate.



- **RE-OPENING OF ANAHITA THE RESORT IN OCTOBER 2016**

Completion of a new spa, refurbishment of the restaurants and bar and acquisition of new Amalthea residences to increase its inventory.

- **POTENTIAL OPPORTUNITY TO INCREASE ENERGY CAPACITY IN MAURITIUS**

On-going discussions with the authorities to conclude a Power Purchase Agreement

# CIEL HOTELS & RESORTS

## EXECUTIVE REPORT



CIEL Hotels Resorts is CIEL's cluster that regroups all the tourism and hospitality activities of the Group.

CIEL owns 59.8% of Sun Limited (a company listed on the Official Market of the Stock Exchange of Mauritius) and 50% of Anahita Residence & Villas Ltd.

## Quote from the CEO

**“Sun Limited is now well advanced in the implementation of its 2014-2019 plan. All of the Group's resorts will be in full swing for the first time in two years as from December 2016.**

**Sun Limited continues its focus on reaching excellence in operations across all of its clusters and is confident that it is will progressively return to sustainable profit growth.”**

**David Anderson**, CEO of Sun Limited

## Management Team



**David Anderson**  
Chief Executive Officer  
of Sun Limited



**Tommy Wong**  
Chief Financial Officer  
of Sun Limited



**Bernard Forster**  
Group Director Asset  
Management  
of Sun Limited



**Dominique Di Daniel**  
General Manager  
Anahita Golf & Spa Resort

APPROX.

**4,500**  
EMPLOYEES

## Our Assets

### 4-Star hotels

- Ambre
- La Pirogue

### 5-Star Hotels

- Long Beach
- Sugar Beach
- Anahita Golf & Spa Resort

### 5+ Star Luxury Hotels

- Shangri La's Le Touessrok Hotel and Spa Resort
- Four Seasons Resort at Anahita
- Kanuhura (Maldives)

### 2 golf courses

- Four Seasons Golf Club
- Ile aux Cerfs Golf Club

## Key Facts and Figures

# 9

OWNED AND MANAGED  
**PROPERTIES IN THE  
INDIAN OCEAN**

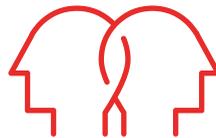
**2 TOUR OPERATORS**  
IN FRANCE AND  
SOUTH AFRICA

MORE THAN  
**1,500**  
ROOMS

**SUN LIMITED** LISTED  
ON **THE STOCK  
EXCHANGE OF  
MAURITIUS**

**5 REPRESENTATIVE  
OFFICES**

**3 SALES OFFICES**



**2 INTERNATIONAL  
PARTNERS: SHANGRI-LA  
AND FOUR SEASONS**

**OWNERSHIP OR  
PRIVILEGED ACCESS  
TO 3 GOLF COURSES**

**5 PRIVATE ISLANDS  
IN MAURITIUS AND  
MALDIVES**

**34%**  
**OF OUR PORTFOLIO**

# CIEL HOTELS & RESORTS EXECUTIVE REPORT (CONT'D)

## Financial Performance

### FULL YEAR RESULTS

CIEL Hotels & Resorts	Year ended 30 June		
	2016 MUR'M	2015 MUR'M	Variance MUR'M
Revenue	<b>4,989</b>	4,214	775
EBITDA	<b>714</b>	658	56
Profit before non-recurring items and tax	<b>(41)</b>	153	(194)
Closure, marketing launch, restructuring, branding and transaction costs/ fair value on business combination (2015)	<b>(534)</b>	340	(874)
Profit after tax	<b>(378)</b>	501	(879)
Profit attributable to CIEL shareholders	<b>(188)</b>	297	(485)

- CIEL Hotels & Resorts cluster's revenue increased over the period under review by 18% mainly due to the first time consolidation of the Four Seasons Resort at Anahita in Sun Limited.
- Sun Limited, however, posted losses for the year under review that were mainly due to the closure for renovation of three luxury resorts, namely the Kanuhura in Maldives, the Shangri-La Le Touessrok Resort and Spa and the Four Seasons at Anahita during part or most of the year under review, and the associated costs.
- Sun Limited incurred significantly higher finance costs. The increase in the finance costs is due to the acquisition of a 50% stake in the Four Seasons and a 30% stake in the Ambre Hotel property company, the major renovation projects undertaken at the Shangri-La's Le Touessrok, Kanuhura Hotel, and the Four Seasons as well as the consolidation of the debt.
- In the coming year, Sun Limited's renovation and closure costs will progressively decrease, while net finance costs will remain high.
- These factors should however be offset by a renewed sales momentum as the Group's renovated assets should drive revenue up: all of the Group's resorts will be in full swing for the first time in two years as from December 2016. Moreover, it is anticipated that Shangri-La's Le Touessrok will start contributing positively to the overall performance supporting the already high performing Four Seasons Resort at Anahita in our luxury segment. Forward-bookings currently on the books are indicating encouraging room rate growth, thus endorsing the Group's new rate positioning coming into effect in November 2016 as part of its yield optimisation strategy.
- Sun Limited continues its focus on reaching excellence in operations across all its clusters and is confident that it will progressively return to sustainable profit growth.

## KEY ACHIEVEMENTS

# IN 2015-16

### • **RENOVATED ASSET BASE**

Sun Limited completed the renovation of two of its luxury resorts, namely the Shangri-La's Le Touessrok Resort and Spa and the Four Seasons Resort at Anahita. The Kanuhura resort in the Maldives is also being entirely renovated and will be relaunched in December 2016. La Pirogue Resort & Spa underwent a soft renovation this financial year as we celebrated its 40 years anniversary in June 2016.

### • **BEGINNING OF PARTNERSHIP WITH SHANGRI-LA**

The legendary five-star Le Touessrok has been rebranded Shangri-La's Le Touessrok Resorts and Spa and reopened in November 2015 under Shangri-La's management after six months of extensive renovation.

### • **APPOINTMENT OF DAVID ANDERSON AS NEW CHIEF EXECUTIVE OFFICER**

David brings a rich experience of nearly twenty years in the hospitality business, managing multi-site operations and a sizeable portfolio of properties for international hotel groups.

## STRATEGIC DIRECTIONS

# FOR 2016-17

### • **NEW RATE POSITIONING**

Working from a completely renovated asset base, Sun Limited is implementing its new rate positioning as from November 2016. It is designed to drive up revenue and at positioning its hotels with the highest Average Daily Rate (ADR) within their competitive set.

### • **DEBT RESTRUCTURING**

A debt restructuring plan is implemented this year aimed at bringing down the average cost of debt, matching debt servicing with future cash flows, and consequently easing pressure on Sun Limited current liabilities.

### • **REOPENING OF UNIQUE AND ICONIC KANUHURA**

This prestigious resort located on a private island in the Maldives will reopen its doors in December 2016 under a new concept that is already getting traction from customers.



### • **STRATEGIC GOLF AND MICE POSITIONING**

Sun Limited is developing additional strategies around additional revenue-enhancing opportunities such as positioning its resorts as golf and Meetings, Incentives, Conferences and Exhibitions (MICE) destinations.

# CIEL FINANCE

## EXECUTIVE REPORT



CIEL owns 75.1% of CIEL Finance Limited, in partnership with Amethis Finance, an investment vehicle dedicated to Africa, with a total investment capacity of USD 530M.

### Quote from the CEO

**“In a difficult international context, the cluster has been able to deliver improved results, thanks to a good mix of business lines and the teams’ capacity to address challenges in a timely manner.**

**CIEL Finance has also reinforced its capacity in digital banking, risks management and its ability to manage complex projects or implement innovations.**

**Investments in management capacity and in technology will be maintained as we enter 2016-2017, and should allow the cluster to further develop its revenues and profit over the next years, while benefitting from increased synergies.”**

**Marc-Emmanuel Vives**, CEO of CIEL Finance

### Management Team



**Marc-Emmanuel Vives**  
CEO of CIEL Finance



**Ravneet Chowdhury**  
CEO of Bank One



**Alexandre Mey**  
CEO of BNI Madagascar



**Thierry Hugnin**  
Managing Partner of  
Kibo Capital Partners

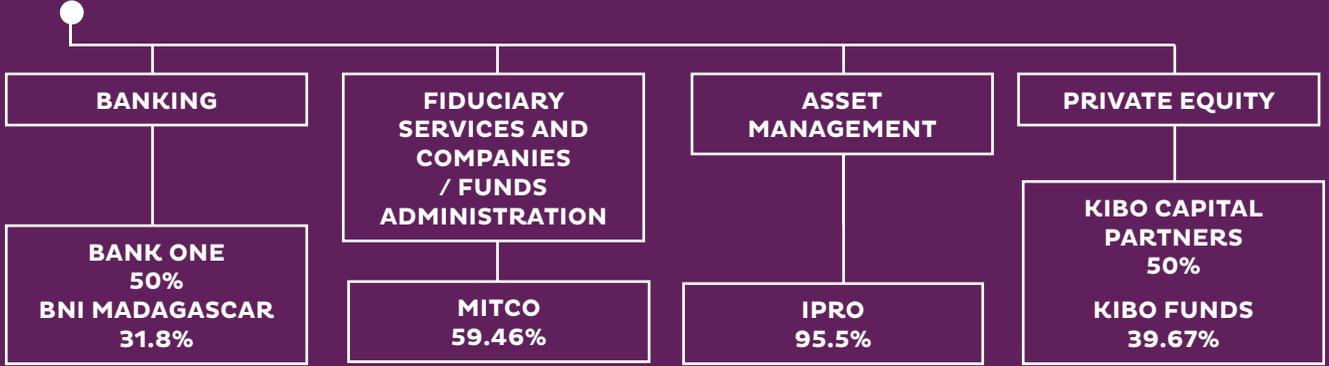


**Robert Hovenier**  
CEO of MITCO



**Stephane Henry**  
CEO of IPRO

**CIEL Finance**  
Main Investments (% ownership)



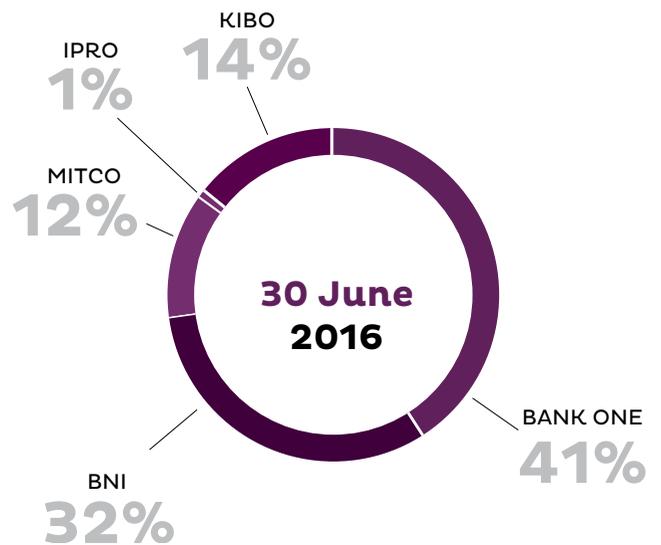
**Key Facts and Figures**

**INTERNATIONAL PARTNERS**

AMETHIS FINANCE, FRANCE  
I&M BANK, KENYA  
AXIAN, MADAGASCAR



**INVESTMENT PORTFOLIO**



**WORKFORCE OVER**

**1,200**

**16%**  
**OF OUR PORTFOLIO**

# CIEL FINANCE

## EXECUTIVE REPORT (CONT'D)

### Financial Performance

#### FULL YEAR RESULTS

CIEL Finance	Year ended 30 June		
	2016 MUR'M	2015 MUR'M	Variance MUR'M
Revenue	<b>1,932</b>	1,929	3
EBITDA	<b>791</b>	899	(108)
Profit before non-recurring item and tax	<b>827</b>	885	(58)
Increase in fair value of investment properties (BNI)	<b>137</b>	-	137
Profit after tax	<b>792</b>	727	65
Profit attributable to CIEL shareholders	<b>315</b>	296	19

- CIEL Finance cluster showed an overall good performance for the financial year under review with its banking activities as the main growth engine. However, its profitability was impacted by adverse exchange rate fluctuations in Madagascar, thus reducing BNI Madagascar's contribution.
- Bank One performed better than last year with treasury and e-commerce activities posting improved contributions and expenses being well contained.
- BNI Madagascar also showed improved results in local currency thanks in particular to dynamic commercial activities and a well contained cost of risk. The liberalisation of the foreign exchange (FX) market in September 2015, combined with stronger FX controls, has however had a negative impact on the FX gains.
- MITCO's performance is slightly better than last year given a challenging environment for the sector (uncertainty around the revised Double Taxation Avoidance Agreements (DTAA) with India, as well as the anticipated evolution of Common Reporting Standards and Base Erosion and Profit Shifting (BEPS) mechanism).

## **KEY ACHIEVEMENTS**

# **IN 2015-16**

- **STRENGTHENING OF SHAREHOLDER BASE**

Second injection of capital from Amethis Finance in CIEL Finance (“CFL”) in August 2015, bringing their stake to 24.9%.

- **CIEL FINANCE RECOGNISED AS “PARTENAIRE FINANCIER DE REFERENCE” IN MADAGASCAR**

CIEL Finance has been recognised by the banking regulator in Madagascar as “key financial partner” (“partenaire financier de référence”) for BNI Madagascar, in compliance with local regulations.

- **NEW ACQUISITIONS**

CFL has acquired the remaining 30% held by CIEL in IOFHL (the company holding the investment in BNI) in September 2015. CFL now holds 58.43% in IOFHL (which in turns holds 51% of BNI's capital) and 2% directly in BNI, amounting to a total effective stake of 31.8% in BNI Madagascar.

- **TALENT ACQUISITION TO CONSOLIDATE TOP MANAGEMENT TEAM**

2015-2016 has seen a strengthening of the management team of the companies within the CIEL Finance cluster to ensure they are better equipped to achieve their respective strategic plans.

## **STRATEGIC DIRECTIONS**

# **FOR 2016-17**

- **MAXIMISING THE VALUE OF EXISTING INVESTMENTS**

CIEL Finance will be concentrating on the maximisation of the value of its existing investments, by focusing on the improvement by its affiliates of their market position, revenue generation and profitability.

- **REINFORCING SYNERGIES WITHIN PORTFOLIO OF COMPANIES AND WITH ITS PARTNERS**

CIEL Finance will be looking at increasing synergies among its portfolio of companies, as well as with its strategic partners, to better serve its clients through a complimentary range of products and services, reduce time-to-market and build on scale to generate savings.

- **STRENGTHENING OPERATIONAL EXCELLENCE**

CIEL Finance is strengthening its operations through the implementation of new tools and processes as well as with the sharing of best practices within its portfolio of companies.

- **DEVELOPING MOBILE FINANCIAL SERVICES IN MADAGASCAR**

BNI, in cooperation with CIEL Finance's local partner, will be shortly launching advanced mobile financial services in Madagascar. The objective is for the traditionally unbanked population to have access to financial services from mobile phones.

- **INCREASED FOCUS ON MANAGING RISKS**

CIEL Finance will improve its risk management framework to ensure continued adherence to the highest international standards.

# CIEL HEALTHCARE

## EXECUTIVE'S REPORT



CIEL Healthcare Limited (“CHL”) is a Mauritian registered private limited company, with its prime objective to own, operate and manage assets in the healthcare sector in Mauritius and across Sub-Saharan Africa.

### Quote from the Managing Director

“The past financial year has seen CIEL Healthcare (“CHL”) reinforcing its strategic presence in the Indian Ocean region, East Africa and West Africa, with the recent acquisition in Nigeria. This growth story was made possible through partnering with world-class organisations bringing both capital and expertise. Going forward the focus is on consolidating our investments by strengthening operational excellence across CHL’s portfolio.”

**Alex Alexander**, Managing Director of CIEL Healthcare Africa

### Management Team



**Alex Alexander**  
Managing Director of  
CIEL Healthcare Africa

### CHL’s Portfolio as at date

**The Medical and Surgical Centre Limited (“MSCL”)**, which owns “Fortis Clinique Darné”, premier private hospital in Mauritius; MSCL has expanded its operations locally and since early 2014 also operates a satellite centre in the north of the Island.

**International Medical Group (“IMG”)**, the leading provider of private healthcare services in Uganda.

**Hygeia Nigeria Limited (“HNL”)**, is Nigeria’s leading private healthcare company.

**Laboratoire International de Bio Analyses Ltée (“LIBA”)**, which offers high quality analysis services in the field of health security and environment.

**CIEL Healthcare Africa Limited (“CHA”)**, is the management company for all existing/ potential (but not restricted to) CHL healthcare assets in Sub-Saharan Africa, in association with Fortis Healthcare.

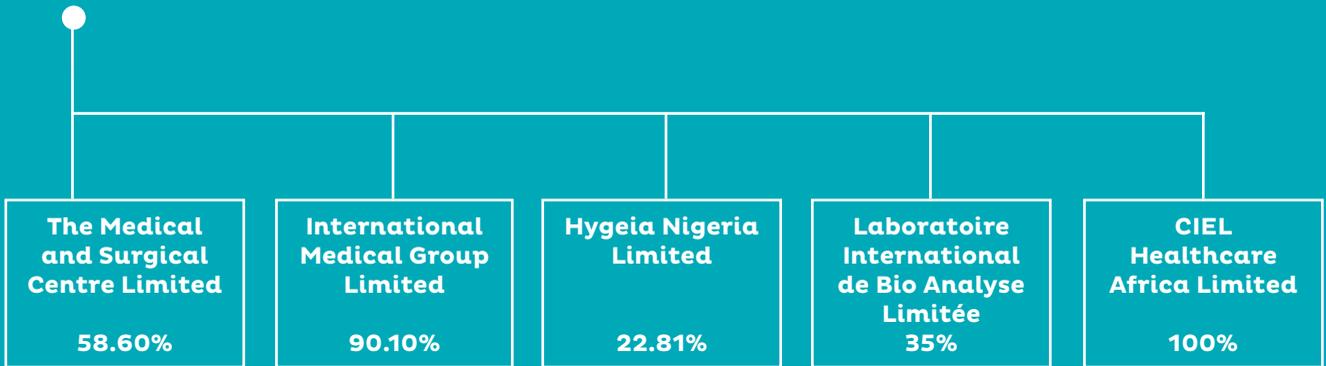


**Unnati Negi**  
Chief Operating Officer of  
Fortis Clinique Darné



**Noëlle Gourrège**  
Managing Director of  
Laboratoire International  
de Bio Analyse (LIBA)

# CIEL HEALTHCARE LIMITED



## Key Facts and Figures

**300** OPERATIONAL BEDS AND **150** ADDITIONAL BEDDED CAPACTICY

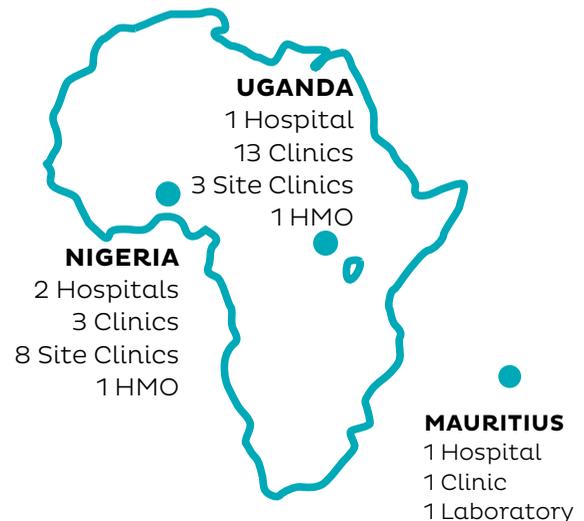
MORE THAN  
**1,800**  
EMPLOYEES

**4** HOSPITALS  
**28** CLINICS  
**1** ACCREDITED TESTING LABORATORY

MEDICAL AND PARAMEDICAL SERVIES ACROSS **25 SPECIALITIES**

**2 HMOS** PROVIDING MEDICAL SCHEMES COVERING  
**325,000** LIVES

## INTERNATIONAL PRESENCE IN 3 COUNTRIES



**7%**  
OF OUR PORTFOLIO

# CIEL HEALTHCARE

## EXECUTIVE REPORT (CONT'D)

### Financial Performance

#### FULL YEAR RESULTS

CIEL Healthcare	Year ended 30 June		
	2016 MUR'M	2015 MUR'M	Variance MUR'M
Revenue	<b>1,224</b>	289	935
EBITDA	<b>174</b>	27	147
Profit before non-recurring item and tax	<b>84</b>	22	62
Fair value gain on business combination (MSCL)	-	67	67
Profit after tax	<b>69</b>	84	(15)
Profit attributable to CIEL shareholders	<b>35</b>	76	(41)

- CIEL Healthcare cluster's results cannot be compared with last year's as the current year consolidates The Medical and Surgical Centre Ltd ("MSCL") for the full year and International Medical Group ("IMG", Uganda) for the first time, both as subsidiaries from March 2015 and June 2015 respectively. In addition, Hygeia Nigeria Limited was accounted for as an associate from January 2016.
- In Mauritius, MSCL has performed better than last year with Fortis Clinique Darné operating at peak occupancy levels and recording approximately 20% growth in revenue compared to prior year. The favourable local competitive landscape, resources optimisation, the introduction of new clinical specialties and the management of more complex surgical cases have all contributed to MSCL's good performance.
- In Uganda, a new management was appointed in the fourth quarter which started implementing several programs to improve IMG's operations and performance. These measures are expected to bear fruit in this current financial year. In the meantime, the depreciation of the local currency as well as challenges faced by IMG's Health Membership Organisation, medical insurance business, weighted on IMG's results.
- In the second quarter of the year under review, CIEL Healthcare acquired a 22.81% stake in Hygeia Nigeria while taking management control of the operations. CHL has been investing since on improving operational efficiency. However, Hygeia's results have been negatively impacted by the slowdown of the Nigerian economy and the severe depreciation of its local currency (Naira).

## KEY ACHIEVEMENTS IN **2015-16**

### • **CONSOLIDATION OF LEADERSHIP POSITION IN MAURITIUS**

Good performance from Fortis Clinique Darné supported by the introduction of new specialties (neonatal services, thoracic vascular surgeries and urodynamic) and a very high occupancy rate throughout the year.

### • **INVESTMENTS IN GROWING MARKETS THROUGH A MODEL OF CLINICS AND HEALTH INSURANCE BUSINESS**

CIEL Healthcare consolidated for the year IMG in Uganda and, along with a consortium of investors, bought a stake in Hygeia Nigeria Limited, the leading private healthcare provider in Nigeria.

### • **BROADENING OF SHAREHOLDER BASE**

To finance its international growth, CIEL Healthcare has brought world-class capitalistic partners on board, namely:

- International Finance Corporation, Member of the World Bank
- Proparco, the private sector financing arm of Agence Française de Développement (AFD)
- The Investment Fund for Health in Africa, IFHA-II, a private equity fund dedicated to investing in private healthcare companies in Sub-Saharan Africa
- Kibo Fund LLC II, a private equity fund investing in East Africa

## STRATEGIC DIRECTIONS FOR **2016-17**

### • **STRENGTHENING OPERATIONAL EXCELLENCE ACROSS ALL INVESTMENTS**

CIEL Healthcare is focused on nurturing further operational excellence within its investments through the use of standard tools and processes.

### • **ACQUIRING TALENT TO STRENGTHEN TOP MANAGEMENT**

CIEL Healthcare will continue to bring in top talent to reinforce the management of its network of healthcare facilities, in particular in Uganda and Nigeria.

### • **INTRODUCTION OF NEW SPECIALTIES IN MAURITIUS**

CIEL Healthcare in partnership with Fortis Healthcare will continue to introduce new specialties in Mauritius such as bariatric, wound care or sleep lab services.

### • **FURTHER CLUSTER-WIDE IMPLEMENTATION OF PATIENT-CENTRIC INITIATIVES**

Putting patients at the center of its operations, CIEL Healthcare will further enhance patient-centric initiatives to improve access to and quality of healthcare services provided.

### • **IMPLEMENTATION OF A PERFORMANCE OPTIMISATION PLAN FOR HYGEIA**

CIEL Healthcare is implementing a performance optimisation plan that is designed to manage the impact of Nigeria's local currency (Naira) depreciation and challenging macro-environment.

# CIEL GOING FORWARD

The first phase of our strategy which was focussed on building-up and strengthening of our investment portfolio is now completed.

This year is therefore going to be primarily dedicated to maximising the value of our existing investments by improving on their financial performance and return, while remaining alert to any investment opportunities.

At CIEL, we are committed to long-term value creation for our stakeholders. Enhanced value will be achieved through an effective and efficient management of our resources and in line with our core principles of accountability, pioneer spirit and entrepreneurship.

The world today is fast evolving and we need to remain vigilant and cautious at all times. Many challenges of various nature (macro-economic, financial) are lying ahead.

However, our company is strategically well positioned and we will ensure that robust financial management and operational excellence are the focus of each of our entities to ensure an adequate growth in profitability.

We do firmly believe in CIEL's strong potential.

CIEL's Executive Team

30 September 2016