

**CHAIRPERSON'S STATEMENT**



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Kishore Sunil Banymandhub  
Chairperson

This financial year was characterized by an improvement in the financial results across all our business segments. This good performance was achieved in an economic environment which remains very challenging, particularly for our sugar segment. The low sugar price prevailing in the EU market is still a concern and despite an expected deficit on the EU market this year, the medium term outlook remains bleak, as post 2017, we expect an increase in sugar production in the EU. Against this backdrop, we have to be more flexible to adapt quickly to changes in the market, and to tap into niche markets with higher premiums. We are strengthening our production tool and human resources capital to ensure that we can respond to this new challenge.

I must highlight here the landmark transaction effected by the Group in March 2016 when we imported 42,000 tonnes of sugar from Brazil for refining in Mauritius. This will be a recurrent feature in our quest to optimize the production capacity of the refinery. This will hopefully ring the bell for the start of many other reforms in the sugarcane industry, where we strongly believe that institutions like the Mauritius Sugar Syndicate need to undergo deep changes.

As I said earlier, the other segments have also done well and here I will like to mention the positive contribution of the bioethanol plant, which had its first full year of operation. I am sure that this distillery will open further opportunities for the Group in the future in terms of value addition, for example in the production of pharmaceutical products and potable alcohol, which could be potential avenues for us to explore.

The Group has invested massively in many different projects during the last ten years and we still have some projects being completed locally whilst on the African front we are also contemplating some new ventures. As we strive to develop new revenue streams, the investment this has necessitated has impacted on our debt level. The Board hired the services of a reputable firm to review the business plan and cash flows of the Group for the next five years. We now have a financial road map, which the Board will monitor closely, together with top management, to ensure that we continue on a path of healthy and sustainable growth.

One of the key elements of the financial business plan is the successful development of the Smart City near the airport, branded 'Mon Trésor'. The latter was officially launched by the Prime Minister on 12 June 2015. We obtained the letter of intent in March 2016, and are actively planning to start the first phase of this ambitious project. Having Omnicane's HQ as the first office building in Mon Trésor Business Gateway shows to all our strong commitment and confidence in the success of this development.

The Board's approach to governance is to stay abreast of, and implement relevant local and international best practice. In this respect, we had two major achievements during the year under review.

First, we have started to work on a new Enterprise Risk Management Framework which will ensure that the Board's risk appetite cascades down to management level, where the risks will be effectively identified and controlled. The Board has also decided to separate risk and audit, so that henceforth there will be a dedicated Risk Committee which will oversee the implementation of the risk framework.

Second, we have stepped up in terms of our integrated reporting level, which we pioneered in Mauritius. I am pleased to say that we are now G4 compliant in respect of the Global Reporting Initiative. G4 will provide more information and better visibility on items which really matter for Omnicane and for all our stakeholders. In the same vein, we have been one of the selected companies to form part of the SEM Sustainability Index (SEMSI), which was launched in September 2015. The SEMSI provides a robust measure of listed companies against a set of internationally and locally relevant environmental, social and governance criteria.

All these initiatives, and the good performance achieved in financial year 2015, would not have been possible without effective strong management. I wish to thank the Chief Executive Officer who continues to demonstrate his strong leadership skills at the head of a committed management team. I also thank each and every employee of the group for their meticulous work and dedication towards the Company.



**Kishore Sunil Banyamdhub**  
Chairperson