

Chief Executive's Review

Dear Shareholder,

I am pleased to present to you hereunder the results of the various IBL sectors and Corporate Units for 2007.

	Contribution (Rs m)		Turnover (Rs m)	
	2006	2007	2006	2007
Financial Services	105	90	906	1,209
Logistics, Engineering & Commerce	188	274	3,946	5,108
- Logistics	104	6	500	511
- Engineering	36	149	1,652	2,568
- Commerce	48	119	1,794	2,029
Retail*	8	43	2,113	2,465
Seafood & Marine	205	(194)	2,240	2,811
Corporate Services & Others**	9	337	824	101
	515	550	10,029	11,694

* including properties where Winner's operates (IBL Properties)

** including losses suffered by Catovair and profits from our associated companies (excluding Chantier Naval de l'Océan Indien - in Seafood & Marine sector)

The new organisation structure put in place in January 2007 is delivering the anticipated results yielding a Group turnover that has exceeded the Rs 11 billion mark (a 17% increase on 2006). In 2008, we will consolidate this new organisation to allow us to maintain our leadership in our various activity sectors. With this new structure, the Group showed its capacity to adapt quickly to the new realities of the market and to be more productive.

As a result, there has been an increase in turnover in all sectors. This has contributed to the general growth of the company. Apart from Financial Services and Seafood & Marine, the other sectors have performed better than the previous year. The detailed review of the operations is contained in each respective Chief Operating Officer's (COO) review and a financial overview in the Chief Finance Officer's (CFO) message.

The **Financial Services sector** is very active and knows rapid growth. If the turnover of this sector increased in 2007, several factors such as claims arising from cyclone Gamede and exchange rates impacted on the profits. For 2008, the Financial Services sector has the capacity to face all the challenges by investing in new businesses and through ongoing training of its employees.

The **Logistics, Engineering & Commerce sector** had a remarkable performance. The sector took advantage of the favourable Mauritian economic context coupled with efficient management and increased its turnover by 30% and profits by 46%. For 2008, we expect to maintain good results.

Chief Executive's Review (continued)

For the **Retail sector**, we implemented the "Category Management" system in 2007 which allows a full-time team to manage each product category as a profit centre. Such management impacted positively on the profits. Various promotional activities also contributed to the increase of the turnover. In 2008, we will extend this "Category Management" concept to all our products and launch two new supermarkets, one in Rose Hill and another one in Rose Belle.

The **Seafood & Marine sector** has suffered substantially from the shortage of fish supplies. Consequently, the losses for this sub-sector have been of the order of Rs 200m. Supplies, so far this year, have recovered to normal levels and in spite of the weak US Dollar we have managed to turnaround this activity since the beginning of the year. Prospects for the rest of 2008, provided market conditions remain stable, look promising.

On the **aviation side**, we have sold 49% of our shareholding of Catovair, now Air Mascareignes, to a strategic partner (Air Austral) and are still waiting for our permits from the Mauritian authorities. With this partnership, the development potential of Air Mascareignes has expanded. We will be able to benefit from the airplanes and technical facilities of Air Austral.

The improved results of our associated companies are due largely to Sun Resorts Ltd.

Following BCG's recommendations, the Group disposed of its Domestic Appliances business unit in 2007. I would like to place on record my appreciation to all the management and staff of this unit for their collaboration in making the change-over as smooth as possible.

My sincere thanks also go to Mr Ismaël Bahemia who retired in December 2007 after having been responsible for the Group tax affairs for many years.

I take this opportunity to thank Mr Joel Bruneau for his contribution to Thon des Mascareignes (TDM) and to the IBL I.T. services, and welcome Mr Patrice Robert as the new General Manager of TDM.

To the management and employees of the Group, thank you for your hard work during 2007. In 2008, the total involvement of each employee will enable us to pursue our goals of growth, productivity and performance. We believe that, together, we can continue our progression and reinforce our position as a leader in the market.



Patrice d'Hotman de Villiers

27 March 2008