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Message from the Chief Finance Officer

The Group's strategy for growth remained effective with an increase in turnover of 17% over the previous year to reach Rs 11.7billion in 2007.

However, profitability was severely impaired by the bad results registered in the seafood sector which suffered from the adverse fishing conditions prevailing throughout the year. The good catches of tuna fish since the beginning of 2008 have marked the end of this bad cycle. The financial results being produced presently in this activity are reflecting the turnaround.

Borrowers had to sustain a further increase of 0.75% in interest rate in the middle of the year, which created additional pressure on the highly-g geared operations of the Group.

Through its investment in Sun Resorts Ltd, one of the leading hotel chains in Mauritius, the strong performance of the hotel industry has been accounted for in the financial results of 2007. Consolidation of their accounts as an associate has yielded an increase of 5% in the attributable earnings of the Group over last year.

Despite the set back encountered in the seafood operations, the Group's balance sheet showed further consolidation, with an improvement to the gearing from 54% to 52% and a net asset value increase of 10%.

Cashflow, which has been the keyword of the Treasury department, improved during the year. The 2% improvement in the gearing, in spite of the planned

investment in the capital intensive project of marine biotechnology, has been possible through a tight monitoring of the cashflow and an extensive use of the newly-implemented treasury management system.

Management was pleased to note the interest of investors in the shares of the company on the stock market where the value traded has more than doubled over last year. The share price, which opened the year at Rs 49.50, showed an appreciable increase of 21% to reach Rs 60 per share on 31 December 2007. Such confidence was comforting and the support well appreciated.

With the added provisions each year of the IFRS (International Financial Reporting Standards), the production of the financial statements is proving to be an exercise requiring a high degree of professionalism and expertise. The Group can be proud of its financial team which has worked hard to produce a quality document for international use.

In the short to medium term, the group will continue to focus on the optimisation of its cash resources with a maximisation of its return on funds utilisation. It has the know-how, the right structure and the right people in place to achieve such a goal.

Gaëtan Lan Hun Kuen
Chief Finance Officer

