



# PERFORMANCE REPORT

Group Operating Context

Group Chief Finance Officer's Report

Cluster Review

Agro

Building & Engineering

Commercial

Financial & Other Services

Hospitality

Life

Logistics

Manufacturing & Processing

Property




“ MedActiv's recently launched e-commerce platform brings innovation to the health and beauty industry. Prescriptions can be uploaded online and non-pharmaceutical products—beauty and healthcare products—can be ordered online, then paid for and collected in-store. The next step is to introduce online payment and home delivery services for non-pharmaceutical products.



# Group Operating Context

As a diversified Group with businesses across multiple sectors operating in Mauritius, the region and more selectively beyond, IBL's performance and value creation are inevitably influenced by macroeconomic factors, industry trends and people.

By being aware of the dynamics affecting our markets, we remain nimble and better prepared to tackle our material risks, adjust our strategy and seize new opportunities that may emerge as a result.

	MAJOR MARKET TRENDS	HOW THIS AFFECTS OUR BUSINESS	LINK TO GROUP-LEVEL RISKS
	Tourism at a turning point	Impact on multiple clusters, specifically Hospitality.	<ol style="list-style-type: none"> <li>1 Misallocation of capital investments abroad</li> <li>2 Sugar cluster performance</li> <li>3 Talent Management</li> <li>4 Cybersecurity threats</li> <li>5 Sustainability of tuna stocks</li> <li>6 Succession planning</li> <li>7 Competition</li> <li>8 Government policies</li> <li>9 Business continuity</li> <li>10 Reputational damage</li> <li>11 Tourism performance</li> <li>12 Property sales performance</li> <li>13 Market concentration</li> <li>14 Confidentiality breaches</li> <li>15 Fraud and corruption</li> </ol>
	Booming construction sector	Implementation of major public investment projects, leading to an upturn in Building & Manufacturing cluster.	
	Unfavourable sugar pricing and lack of reforms in sugar industry	Direct impact on Alteo, Blychem and Scomat. Urgent need for alignment in an industry that has far-reaching consequences.	
	Increasing labour costs	The proposed Workers' Rights Act, designed to enhance workers' rights, may have long-term unintended consequences, particularly on Mauritius' ability to maintain its global competitiveness and attractiveness.	
	Terrorism threats in Africa	As we increase our presence in Africa, terrorism threats may have a direct impact on our operations in the region. Need for effective risk management to manage regional expansion.	
	Sustainability considerations and climate change	Consumers are increasingly aware of and sensitive to sustainability considerations. Environmental protections are becoming a key issue for Boards and investors. Companies are under increasing pressure to comply with environmental laws and standards.	
	Digital working and increased speed of innovation	Need to constantly evolve to respond to customer demands, to use of technology to improve existing services, and to offer more effective, customer-focused services. Highly connected stakeholders require real-time communication and immediate customer service alongside simple and functional online processes.	

## Group Chief Finance Officer's Report

# Maintaining our growth momentum



### Highlights

I am pleased to present my CFO's report for the year ended 30 June 2019 (FY2019).

The Group reported revenues of Rs 39,259 million for FY2019, a growth of 7% against last year (FY2018: Rs 36,851 million). All of our business segments also reported an increase in revenue.

The reported profit from operations for FY2019 was Rs 2,220 million, which represents a decrease of Rs 176 million compared to last year. New investments, defined as investments made within the last two years and which are de facto either partially accounted for in FY2018 or in FY2019, represented Rs 39 million of that drop as the specific businesses are still being turned around or being ramped up, and have consequently not yet reached cruising altitude. It follows that some ongoing businesses achieved a lower result compared to last year.

Reported Profit Before Tax for FY2019 dropped by 35% to Rs 1,781 million, mainly due to the double effect of

non-recurring gains of Rs 777 million last year and a significant non-recurring event in one of our major associates in the current year, adversely impacting the results for FY2019 by Rs 280 million.

Taking the above non-recurring factors out of the equation, the Group's Underlying Profit amounts to Rs 2,124 million, which represents an annual increase of 8%. Underlying Profit is a key performance indicator for the Group, as it measures the Group's overall business performance by excluding the non-recurring items reported as part of the Statement of Profit or Loss. The Underlying Profit is defined as the Group Profit Before Tax (PBT), excluding other gains and losses in subsidiaries, as well as the share of non-recurring other gains and losses occurring in associates.

Following the introduction of two new Accounting Standards, IFRS 9 and IFRS 15, which affected the Profit and Loss figures for FY2019 only, a further adjustment of Rs 48 million was made to exclude their impact when reporting Underlying Profit. This enables a fairer "like-for-like" performance comparison for FY2019 versus FY2018.

### Analytical review

The chart below analyses the overall change in revenue, in conjunction with the movement in underlying profit and PBT.



The above chart explains the increase in Group revenue of 7% and matches it with the Underlying Profit increase of 8%. "New Businesses" comprise businesses acquired in the last two years, which are (i) either partially accounted for in FY2018 with a full year (12 months) impact in FY2019, or (ii) partially accounted for in FY2019. They mainly comprise CMPL, BlueLife and La Palmeraie Hotel, now renovated and reopened as SALT of Palmar. It follows that "Existing Businesses" reflect subsidiaries that the Group has held as subsidiaries for more than two years. These are further discussed in the Sectorial review below.

## Group Chief Finance Officer's Report

In FY2018, the Group's overall PBT was helped by other gains and losses of Rs 777 million, largely contributed by the disposal of our stake in ABAX, then an associate. In FY2019, the PBT results were adversely impacted mainly by the impairments made in Alteo, along with the adoption of IFRS 9 and 15. Associate businesses include mainly AfrAsia, Princes Tuna and Alteo. Overall, the results of Associates were helped by much better performances in AfrAsia and Princes Tuna in FY2019 compared to FY2018, which had been a difficult year for both companies.

### Statements of profit or loss (Abridged)

	THE GROUP	
	2019 Rs'000	2018 Rs'000
<b>Continuing operations</b>		
<b>Revenue</b>	<b>39,258,613</b>	36,851,490
Profit from operations	<b>2,219,976</b>	2,396,225
Share of results of associates and joint ventures	<b>485,861</b>	327,080
Other gains and losses	<b>(15,202)</b>	777,016
Net finance costs	<b>(909,163)</b>	(753,085)
Profit before taxation	<b>1,781,472</b>	2,747,236
Taxation	<b>(427,748)</b>	(343,927)
<b>Profit for the year from continuing operations</b>	<b>1,353,724</b>	2,403,309
Discontinued operations		
Gain/(loss) for the year from discontinued operations	<b>41,931</b>	(20,437)
<b>Profit for the year</b>	<b>1,395,655</b>	2,382,872

### Statement of other comprehensive income (Abridged)

	THE GROUP	
	2019 Rs'000	2018 Rs'000
Profit for the year	<b>1,395,655</b>	2,382,872
Other comprehensive income for the year	<b>(472,728)</b>	548,658
<b>Total comprehensive income for the year</b>	<b>922,927</b>	2,931,530
Profit attributable to:		
Owners of the parent	<b>428,420</b>	1,508,967
Non-controlling interests	<b>967,235</b>	873,905
	<b>1,395,655</b>	2,382,872
Total comprehensive income attributable to:		
Owners of the parent	<b>174,178</b>	1,883,227
Non-controlling interests	<b>748,749</b>	1,048,303
	<b>922,927</b>	2,931,530

Additional points arising from the Statement of Comprehensive Income are:

- Net finance costs increased in FY2019 due to the annualisation effect of financing for acquisitions made in FY2018. This is part of the "New Businesses" analysis described above.
- The Group's taxation charge on the profit and loss increased mainly as a result of an increase of deferred tax relating to future employee benefits.
- Other comprehensive income dropped as a result of the implementation of IFRS 9 and 15 and an opening balance adjustment reflected as a movement in equity on 1 July 2018, as well as the increase in Employee Benefit Liabilities for Employees and Pensioners.

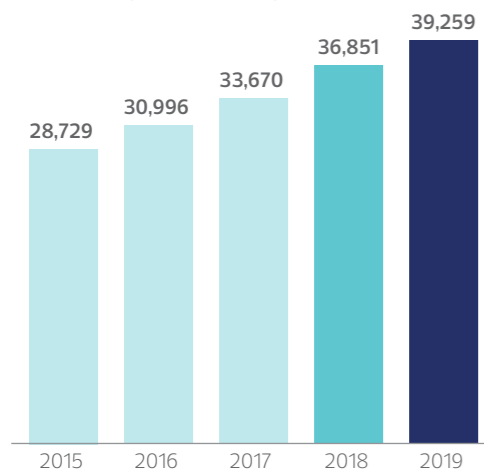
### Sectorial review

- **Building & Engineering: Profitability decreased due to lower volumes in Manser Saxon Group.**  
UBP Group fared well as a result of major infrastructure projects undertaken countrywide. Shipbuilding revenues were lower for CNOI this year, while Manser Saxon could not match the benefits derived from large hotel projects last year.
- **Commercial: Winner's drives turnover growth while performance is impacted by exceptional costs.**  
Brandactiv and Healthactiv posted stronger results despite increasing competition and margin pressure. In the pursuit of new growth strategies, Winner's incurred significant costs relating to its restructuring exercise, stock overhaul and business development. It is expected to be profitable going forward.
- **Financial & Other Services: Overall sector results improving on the back of excellent results from AfrAsia.**  
AfrAsia delivered excellent results, helped by lower credit impairment and stronger revenues. Cluster result was offset by higher claims experienced in Eagle Insurance and an increase in business development costs in DTOS.
- **Hospitality: LUX\* Grand Gaube full year operations contribute to solid performance of the Group.**  
All hotels were operational during the period and consequently, the sector reported higher revenues overall. A slight decrease in occupancy was offset by higher RevPAR (Revenue Per Available Room). Merville Hotel is currently being rebuilt and will reopen as LUX\* Grand Baie in the first half of 2021. The spinoff of The Lux Collective (TLC) from Lux Island Resorts was completed in December 2018. TLC also moved its head office to Singapore during the year to capitalise on opportunities in Asia and boost its international footprint.
- **Manufacturing & Processing: All major businesses in the sector register higher turnover and profits.**  
Phoenix Bev posted a strong performance despite a disruption in production for its Reunion operations in the second half of the year. Seafood businesses recovered well from last year when fishing quotas adversely impacted performance. PTM is getting back on track after two difficult years.
- **Property: Real estate portfolio growing during the year under review.**  
Bloomage increased its Gross Letting Area during the year and posted higher profits as a result. SALT of Palmar resumed operations in November 2018 following a major renovation that has attracted local and global acclaim. The performance of BlueLife is still suffering from low sales volume of its future phase inventory and has also been affected by the application of new IFRS.
- **Logistics: Increased competition adversely impact profitability.**  
The Group's Logistics cluster continues to innovate, which explains the increase in turnover of 20% compared to last year. operating profits were affected by lower margins and investments in new facilities, which are gradually helping to increase business volumes.
- **Life: Good recovery from last year.**  
The cluster benefitted from the turnaround of CIDP, which now shows a profit. Proximed, a former associate, was disposed in the last quarter of 2019.
- **Agro: Challenging conditions continue to affect results.**  
Improved results from overseas operations in Tanzania and Kenya were insufficient to counter the impact of low sugar prices in Mauritius. Alteo Group also impaired its industrial cluster, and the share of impairment loss recognised by IBL amounts to Rs 280 million.

# Group Chief Finance Officer's Report

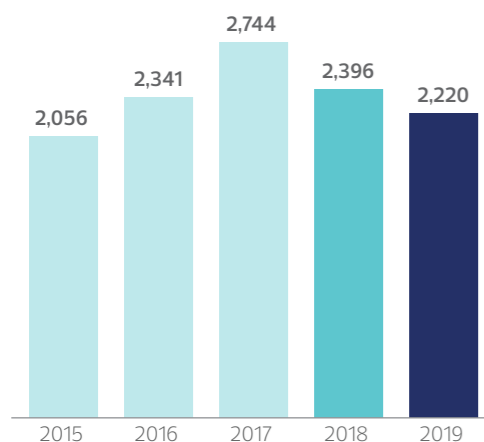
## Long-term profit trends

Turnover (Rs Millions)



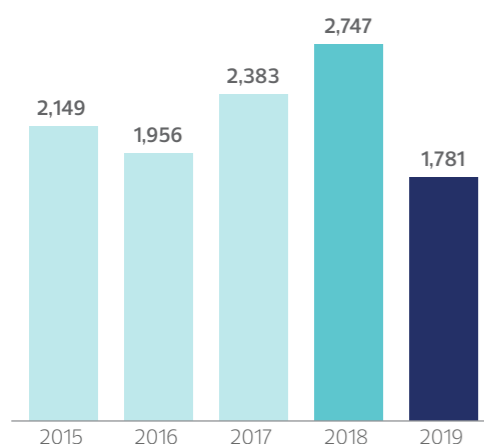
- Consistent top-line growth.
- Turnover increased by a compounded average (CAGR) of 8% since 2015.

Operating profit (Rs Millions)



- Drop in operating profit is attributable to a combination of new investments (acquired in the last two financial years) still being restructured and in the process of being turned around, impacting results by Rs 39 million, as well as the adverse impact on profitability of the Commercial, Building & Engineering, and Financial & Other Services clusters of Rs 137 million. These are explained further below in the sectorial review.

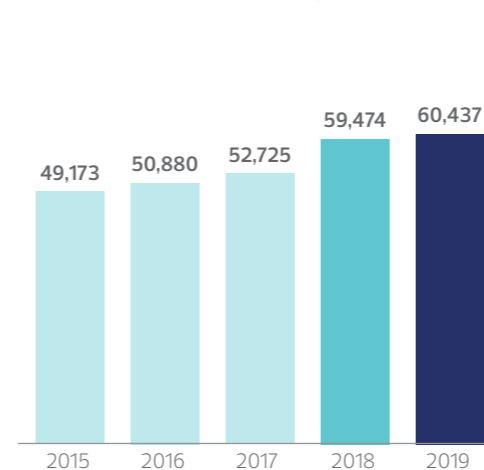
Profit before tax (Rs Millions)



- FY2018 results benefitted from a one-off gain on the sale of an associate.
- FY2019 PBT was affected by exceptional write-offs of non-current assets by Alteo, as well as the introduction of IFRS 9 and IFRS 15. Without these, underlying profit shows an increase of 8% as shown below.

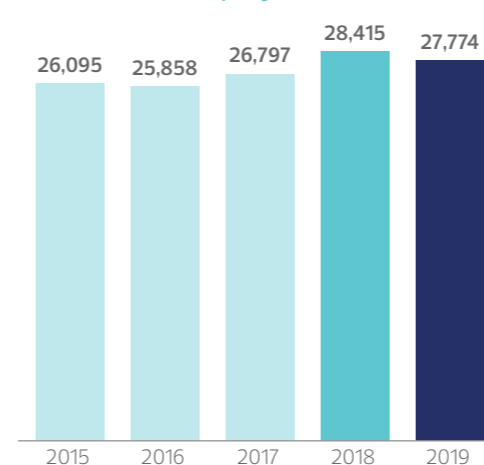
## Long-term balance sheet trends

Total assets (Rs Millions)



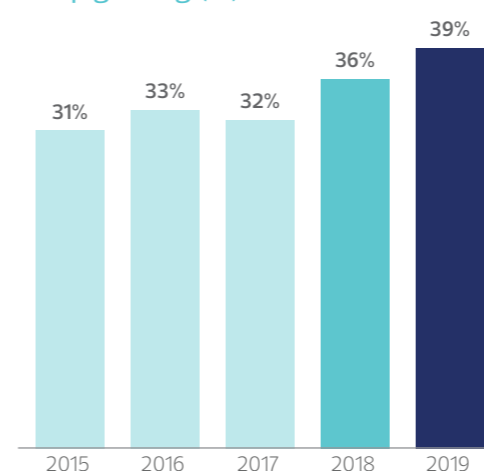
- Total assets increased organically – no new large acquisitions were undertaken this year.

Shareholders' equity (Rs Millions)



- Implementation of IFRS 9 and its impact on opening balances contributed to most of the decrease in equity.
- Other comprehensive loss for the year also reduced shareholders' equity due to the remeasurement of Employee Benefit Liabilities and reversal of revaluation reserves.

Group gearing (%)

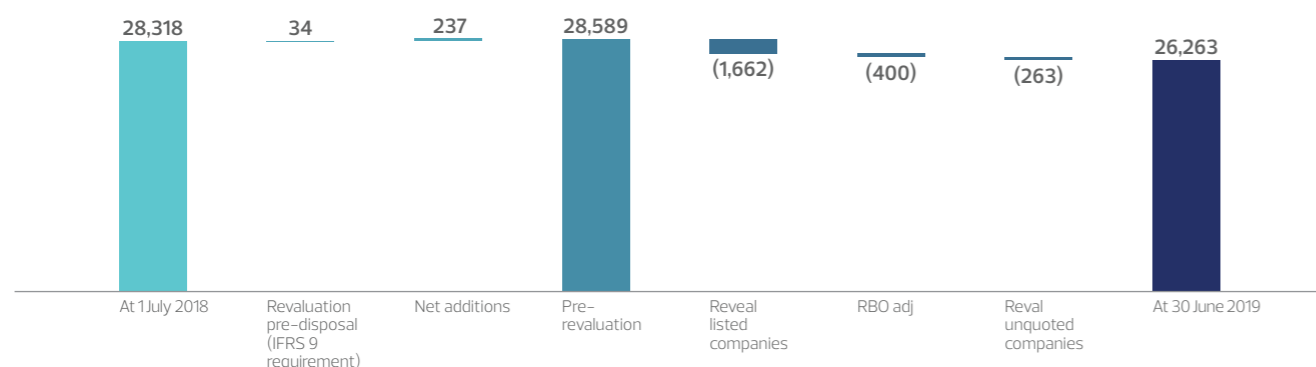


- Group companies continue to make strategic investments and capital expenditure partly financed by debt.

# Group Chief Finance Officer's Report

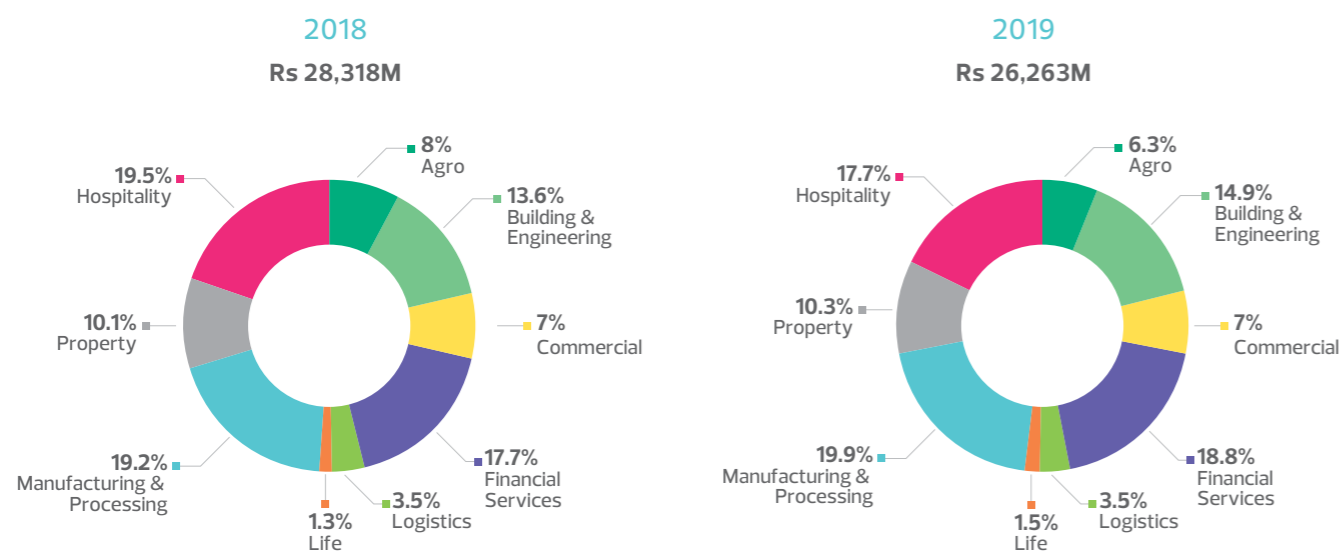
## Investment valuation for IBL Ltd, from a Company perspective

IBL investment portfolio movement (Rs Millions)



IBL Ltd has reported a drop in the carrying value of investment, mostly attributable to quoted shares, namely Alteo and LUX\*. The decrease in the share price of Alteo is largely due to the challenging conditions being faced by the sugar sector. LUX\* also spun off part of its business and IBL Ltd adjusted for Employee Benefit Liabilities in its investment valuations.

## Portfolio mix by cluster



The portfolio mix has not changed materially between 30 June 2018 and 30 June 2019. The main changes occurred in LUX\* and Alteo, which have seen a share price reduction during the year.

Please note that the above analysis looks at IBL's investment from a holding company perspective, and therefore excludes BrandActiv and HealthActiv (reported under the Commercial cluster) and some of the Logistics businesses as they operate as units of IBL Ltd (the "Company") and are therefore part of the holding company and not separate subsidiaries.

## Share price analysis

RETURN TO SHAREHOLDERS			TOTAL SHARES TRADED IN FY2019	AVERAGE DAILY VOLUME TRADED
	Rs	%	6,876,654	27,954
Capital appreciation	4.10	8.22%	HIGHEST VOLUME TRADED ON ANY DAY	
Dividend received	0.77	1.54%	3,234,483	
Holding period return	4.87	9.76%	HIGHEST SHARE PRICE	LOWEST SHARE PRICE
			59.00	48.00

IBL Ltd remains one of the most attractive companies on the SEM 10, with the increase in share price providing an 8% return to shareholders over the course of FY2019. Management increased dividends by 5.5% to Rs 0.77 in FY2019 (compared to Rs 0.73 in FY2018). Traded volumes on IBL Ltd shares remain low, with most of the shareholders adopting a buy and hold strategy.

## Outlook





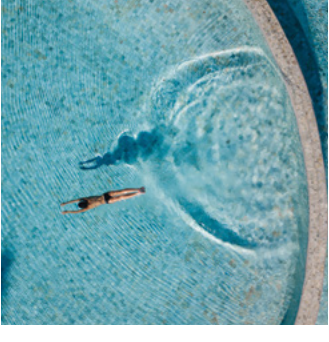
As explained above, the Group overall achieved an underlying profit growth of 8%, and this despite accounting for losses in three sectors of activity that have traditionally accrued profits, namely Winner's, Eagle Insurance and Manser Saxon.

My colleagues have largely addressed the root causes of these unusual performances and have resolved them. We are confident that the setbacks in specific sectors have or will be fixed imminently, that our underlying businesses will continue to grow, and coupled with our strategic investments, create a platform for continuous growth.

This year's financial results attest to our ability to generate steady growth, a key benefit from a diversified portfolio. As a core element of our strategy, we are focused on growing our Mauritius base as well as diversifying our portfolio across the region and chosen international markets further afield. We are structured to better manage business risk and capitalise on growth opportunities locally, regionally and internationally.





Dipak Chummun  
Group Chief Finance Officer

# Cluster Review

	Clusters	Overview	Material companies
	<b>Agro</b>	Mauritian leader in the sugar industry (sugar cane growing, milling, refining) and major producer of special sugars and sugar by-products. Coal-bagasse and renewable energy pioneer in Mauritius. Substantial land assets in eastern Mauritius and expertise in luxury property development, particularly Anahita IRS estate.	<ul style="list-style-type: none"> <li>Alteo</li> </ul>
	<b>Building &amp; Engineering</b>	Building, engineering and contracting for Mauritius and the wider region's largest and most prestigious property development projects.	<ul style="list-style-type: none"> <li>CMH</li> <li>Scomat</li> <li>ServEquip</li> <li>Manser Saxon</li> <li>UBP</li> <li>CNOI</li> </ul>
	<b>Commercial</b>	B2B and B2C suppliers in the retail, consumer, healthcare and industrial sectors. Cluster has a strong footprint in the Mauritian retail market thanks to strategic geographical positioning and a focus on meeting evolving consumer needs.	<ul style="list-style-type: none"> <li>BrandActiv (IBL Ltd)</li> <li>Healthcare Operations:                             <ul style="list-style-type: none"> <li>HealthActiv (IBL Ltd)</li> <li>MedActiv (MTCL)</li> <li>Medical Trading International Ltd</li> </ul> </li> <li>Blychem</li> <li>Intergraph</li> <li>Winner's</li> </ul>
	<b>Financial &amp; Other Services</b>	A cluster with a major footprint in Mauritius' financial services sector, and increasingly in the global financial services sector.	<ul style="list-style-type: none"> <li>DTOS</li> <li>LCF Securities</li> <li>Eagle Insurance (EIL)</li> <li>The Bee Equity Partners</li> <li>City Brokers (CBL)</li> <li>EILGeo Re</li> <li>AfrAsia</li> </ul>
	<b>Hospitality</b>	A market-leading hotel brand with an international footprint.	<ul style="list-style-type: none"> <li>Lux Island Resorts (LIR)</li> <li>The Lux Collective (TLC)</li> </ul>

Key highlights	Financial performance
<ul style="list-style-type: none"> <li>6,186 team members</li> <li>Businesses in 3 countries</li> <li>3 sugar mills / 1 sugar refinery</li> <li>3 power plants / 1 solar farm</li> <li>31,000 hectares of land (Mauritius, Kenya, Tanzania)</li> <li>11,000 hectares of sugarcane (Mauritius, Kenya, Tanzania)</li> <li>292,000 tonnes of sugar produced</li> <li>273.11 GWh energy exported to the national grid</li> <li>108.51 GWh renewable electricity exported to the national grid</li> <li>4 villas and 13 plots of land sold at Anahita</li> </ul>	<p>Revenue* <b>Rs 8,991M</b></p> <p>Operating profit* <b>Rs 1,416M</b></p> <p><small>* Alteo is an associate for IBL. In the Statements of Profit or Loss, IBL only reports its share of profit or loss as part of "share of results of associates".</small></p>
<ul style="list-style-type: none"> <li>4,712 team members</li> <li>Active in 6 countries</li> <li>Delivery of Le Chaland hotel (Manser Saxon)</li> <li>+6.91% blocks sold (UBP)</li> <li>456,304 checkout receipts (Espace Maison)</li> <li>17 checkout tills, including 5 Scan &amp; Go tills (Espace Maison)</li> <li>617,000 billed hours (CNOI)</li> </ul>	<p>Revenue <b>Rs 8,735M</b></p> <p>Operating profit <b>Rs 598M</b></p>
<ul style="list-style-type: none"> <li>3,152 team members</li> <li>135 brands distributed (BrandActiv)</li> <li>70 laboratories/suppliers represented (HealthActiv)</li> <li>7 pharmacies (MedActiv)</li> <li>Phytosanitary products re-packing facilities (Blychem)</li> <li>30 sheltered farming packages sold (Blychem)</li> <li>24 supermarkets and 1 hypermarket (Winner's)</li> <li>443 local suppliers (Winner's)</li> <li>318 checkout tills (Winner's)</li> <li>2 e-commerce platforms (Winner's and MedActiv)</li> </ul>	<p>Revenue <b>Rs 13,739M</b></p> <p>Operating profit <b>Rs 145M</b></p>
<ul style="list-style-type: none"> <li>909 team members</li> <li>6,222 claims handled by Eagle Insurance</li> <li>15,687 policies handled by City Brokers</li> <li>22,823 insurance claims handled by City Brokers</li> <li>137 reinsurance claims handled by EILGeo Re</li> <li>Banking clients in over 160 countries (AfrAsia)</li> </ul>	<p>Revenue* <b>Rs 1,808M</b></p> <p>Operating profit* <b>Rs 31M</b></p> <p><small>* The above figures exclude AfrAsia Bank, which IBL holds as an associate and reports its share of profit or loss as part of "share of results of associates".</small></p>
<ul style="list-style-type: none"> <li>3,903 team members</li> <li>13 resorts in 5 countries</li> <li>Opening of SALT of Palmar</li> <li>Opening of LUX* North Male Atoll</li> <li>180,000 guests</li> <li>Rs 6,794 Revenue Per Available Room</li> <li>1,748 rooms under management contract</li> <li>190.51 man hours of training per team member</li> </ul>	<p>Revenue <b>Rs 6,266M</b></p> <p>Operating profit <b>Rs 819M</b></p>

# Cluster Review











Clusters	Overview	Material companies
 Life	Portfolio of retail and service companies offering cutting edge clinical research and development; high-quality analytical laboratories; and high-end, innovative medical devices.	<ul style="list-style-type: none"> <li>· CIDP</li> <li>· QuantiLab</li> </ul>
 Logistics	Provider of comprehensive, end-to-end logistics, shipping and aviation solutions in Mauritius and the Indian Ocean.	<ul style="list-style-type: none"> <li>· Logidis</li> <li>· Somatrans</li> <li>· IBL Shipping</li> <li>· IBL Aviation</li> </ul>
 Manufacturing & Processing	Food and beverage businesses that produce and market iconic Mauritian and international brands.	<ul style="list-style-type: none"> <li>· La Tropicale Mauricienne</li> <li>· Marine Biotechnology Products</li> <li>· Cervonic</li> <li>· Froid des Mascareignes (FDM)</li> <li>· Mer des Mascareignes</li> <li>· Princes Tuna</li> <li>· Nutrifish</li> <li>· Marine Biotechnology Products Cote d'Ivoire</li> <li>· Phoenix Bev (PBL)</li> </ul>
 Property	Land promoter, property developer and asset, property and facilities manager with a substantial portfolio of strategically placed, high-value property in Mauritius, including retail, commercial and hospitality assets.	<ul style="list-style-type: none"> <li>· Bloomage</li> <li>· BlueLife</li> </ul>




Key highlights	Financial performance
<ul style="list-style-type: none"> <li>· 160 team members</li> <li>· Active in 5 countries</li> <li>· 503 clients in 32 countries</li> <li>· 566 clinical studies</li> <li>· 15,917 samples handled</li> <li>· 161 accredited methods</li> <li>· 5 in-house R&amp;D projects</li> <li>· 4 private-public initiatives</li> </ul>	<p>Revenue <b>Rs 206M</b></p> <p>Operating profit <b>Rs 2M</b></p>
<ul style="list-style-type: none"> <li>· 984 team members</li> <li>· 23,000 m<sup>2</sup> in warehousing capacity (Logidis) – 5,500 m<sup>2</sup> of warehousing added during the year</li> <li>· 90% warehouse occupancy (Logidis)</li> <li>· 6% increase in volume prepared compared to 2017-18 (Logidis)</li> <li>· 2% increase in number of Teus (Somatrans)</li> <li>· 3 airlines represented by IBL Aviation (Air Austral, Air Madagascar, British Airways)</li> </ul>	<p>Revenue <b>Rs 1,911M</b></p> <p>Operating profit <b>Rs 67M</b></p>
<ul style="list-style-type: none"> <li>· 6,322 team members</li> <li>· 4 production units (Phoenix Bev)</li> <li>· 2 countries of operation (Phoenix Bev)</li> <li>· 7 export countries (Phoenix Bev)</li> <li>· 1 glass recycling operation (Phoenix Bev)</li> <li>· 7 categories of beverages (Phoenix Bev)</li> <li>· 27 brands produced (Phoenix Bev)</li> <li>· 2.29M hectolitres sold (Phoenix Bev)</li> <li>· 120,000MT of tuna processed yearly (Seafood Hub)</li> <li>· 60,000MT of processing capacity for fishmeal (Seafood Hub)</li> <li>· 8<sup>th</sup> world tuna exporter in terms of volume (Seafood Hub)</li> <li>· Opening of a fish oil and fish protein factory in Ivory Coast (Seafood Hub)</li> </ul>	<p>Revenue* <b>Rs 8,921M</b></p> <p>Operating profit* <b>Rs 1,026M</b></p> <p><small>* The above figures exclude Princes Tuna, which IBL owns as an associate and reports its share of profit or loss as part of "share of results of associates".</small></p>
<ul style="list-style-type: none"> <li>· 459 team members</li> <li>· Rs 4Bn in property under management (Bloomage)                             <ul style="list-style-type: none"> <li>– 26% office</li> <li>– 35% retail</li> <li>– 18% industrial</li> <li>– 12% hospitality</li> <li>– 4% parking</li> <li>– 5% land for development</li> </ul> </li> <li>· Approximately 100,400m<sup>2</sup> of Gross Letting Area (Bloomage)                             <ul style="list-style-type: none"> <li>– 20% office</li> <li>– 33% retail</li> <li>– 38% industrial</li> <li>– 5% hospitality</li> <li>– 4% parking</li> </ul> </li> <li>· 86.7% average occupancy (Radisson Blu Poste Lafayette and Radisson Blu Azuri)</li> <li>· +16% Total Revenue Per Available Room (Radisson Blu Poste Lafayette and Radisson Blu Azuri)</li> <li>· +45% Gross Operating Profit Per Available Room (Radisson Blu Poste Lafayette and Radisson Blu Azuri)</li> </ul>	<p>Revenue <b>Rs 837M</b></p> <p>Operating profit <b>Rs 121M</b></p>








# Agro















Please refer to p. 68 for more information on the Group strategy and p. 97 for more information on IBL's top 15 risks

Link to Group-Level strategy	Strategic directions	Objectives set for 2018-19	Performance against objectives
 	<b>Sugar</b> <ul style="list-style-type: none"> <li>Product diversification into higher value added products such as special sugars and optimisation of revenues from by-products such as bagasse and cane trash for energy.</li> </ul>	<b>Cluster</b> <ul style="list-style-type: none"> <li>New CEO to join in January 2019.</li> </ul>	
	<b>Property</b> <ul style="list-style-type: none"> <li>Focus on successful completion of Anahita estate and develop Alteo's strategic blueprint for the east of Mauritius.</li> </ul>	<b>Sugar</b> <ul style="list-style-type: none"> <li>Create synergies between cluster businesses, contain costs and achieve efficiencies.</li> <li>Capitalise on favourable outlook for East African sugar operations by optimising capacity.</li> </ul>	 
<b>Energy</b> <ul style="list-style-type: none"> <li>Develop capacity and know-how in other forms of renewable energy (solar, wind, biomass).</li> <li>Develop capacity in East Africa to take advantage of market opportunities and achieve economies of scale.</li> </ul>	<b>Property</b> <ul style="list-style-type: none"> <li>Continue to roll out strategic masterplan for the east of Mauritius.</li> <li>Achieve gross margins from the ongoing construction of villas and the conversion of reservations into sales.</li> </ul>	  	
	<b>Energy</b> <ul style="list-style-type: none"> <li>Power Purchase Agreement set to expire in December 2018.</li> <li>Aim to respond to the Central Electricity Board's RFPs and position the business as a key player within Mauritius' renewable energy sector.</li> </ul>	  PPA not renewed. Outlook for energy sector will depend on renegotiated terms.	

 Actual performance met or exceeded target
  Actual performance almost met target
  Actual performance did not meet target









Link to Group-level risks	Digital Transformation initiatives	Priorities for 2019-20
    		<b>Sugar</b> <ul style="list-style-type: none"> <li>As major players in the industry, rethink how to take on a more active role in tackling the ongoing downturn in the sugar industry.</li> <li>Return Alteo to profitability through the mechanisation of agricultural activities, factory automation initiatives and the exploitation of machinable lands.</li> <li>Find a strategic partner to help buy out Transmara's minority shareholders.</li> <li>Seek ways to reutilise idle fertile lands.</li> <li>Improved situation and positive outlook for TSC, despite operating in a market with high price volatility and competition.</li> <li>Increase engagement with national regulators to address the challenges of an unfavourable sugar import policy and stringent legislations against foreign investors.</li> <li>The outlook for this sector remains challenging.</li> </ul> <b>Property</b> <ul style="list-style-type: none"> <li>Complete the development of the Northern Parcel of Anahita.</li> <li>Continue developing the coastal area in the east of Mauritius through new projects like Beau Rivage.</li> <li>Challenging outlook due to the Government's decision to put on hold the East Coast Trunk Road (ECTR) project.</li> </ul> <b>Energy</b> <ul style="list-style-type: none"> <li>Rethink the electricity project, both in terms of size and fuel to be utilised alongside bagasse.</li> </ul>




## IBL's top 15 risks







- |  |   |  |
|--|---|--|
|  Misallocation of capital investment abroad |  Succession planning |  Tourism performance        |
|  Sugar cluster performance                  |  Competition         |  Property sales performance |
|  Talent Management                          |  Government policies |  Market concentration       |
|  Cybersecurity threats                      |  Business continuity |  Confidentiality breaches   |
|  Sustainability of tuna stocks              |  Reputation damage   |  Fraud and corruption       |

# Building & Engineering










Please refer to p. 68 for more information on the Group strategy and p. 97 for more information on IBL's top 15 risks

Link to Group-Level strategy	Strategic directions	Objectives set for 2018-19	Performance against objectives
 	<b>Engineering and contracting</b> <ul style="list-style-type: none"> <li>Explore potential mergers and acquisitions to vertically integrate activities and offer a one-stop shop for the mid-size project market.</li> </ul>	<b>Engineering and contracting</b> <ul style="list-style-type: none"> <li>Continue integration process begun in 2017-18.</li> <li>Delivery of work on hotel at La Cambuse in Mauritius.</li> <li>Seek out international growth opportunities e.g. in Dubai.</li> </ul>	   No new contracts signed by Manser Saxon.
	<b>Building materials</b> <ul style="list-style-type: none"> <li>Particular focus on Human Capital strategy to improve quality, especially in client services:               <ul style="list-style-type: none"> <li>Focus on innovation, cost control and new growth opportunities.</li> <li>Provide training to improve team skills and performance and secure appropriate talent.</li> </ul> </li> <li>Engage with the Mauritian Government's National Skills Development Programme, a programme co-chaired by the Ministry of Education and Business Mauritius.</li> </ul>	<b>Building materials</b> <ul style="list-style-type: none"> <li>Large number of major infrastructure projects likely to begin in Mauritius in 2019.</li> <li>Take advantage of complementarities within the Building Materials sector.</li> <li>New Head of HR and hiring for key roles including Digital Transformation Officer position.</li> </ul>	   
<b>CNOI</b> <ul style="list-style-type: none"> <li>Increase production capacity to deliver on contracted construction and repair work.</li> </ul>	<b>Espace Maison</b> <ul style="list-style-type: none"> <li>Launch new Espace Maison e-commerce website and mobile application as part of a Smart Commerce concept.</li> <li>Revamp loyalty scheme.</li> <li>Open new retail space in the south of Mauritius.</li> </ul>	  	
	<b>CNOI</b> <ul style="list-style-type: none"> <li>Continue to pursue organic growth.</li> <li>Explore prospects for regional expansion.</li> </ul>	 	

 Actual performance met or exceeded target
  Actual performance almost met target
  Actual performance did not meet target

Link to Group-level risks	Digital Transformation initiatives	Priorities for 2019-20
     	<b>Espace maison</b> <ul style="list-style-type: none"> <li>Launched the e-commerce website and a complementary mobile app.</li> <li>Launched a Scan &amp; Go feature allowing shoppers to scan and add products to their baskets directly through the app. The solution will soon evolve to integrate a geolocation tool enabling customers to locate products in the store, and a budgeting tool to calculate the estimated cost of flooring, paint and tiles based on surface area.</li> <li>The next phase involves the use of Virtual Reality (VR) to give shoppers a concrete and immersive view of potential purchases in 3D.</li> </ul>	<b>Engineering and contracting</b> <ul style="list-style-type: none"> <li>Ensure a focused, lean and agile structure that will deliver profitable growth.</li> <li>Acquisition of General Construction Co Ltd.</li> </ul> <b>Building materials</b> <ul style="list-style-type: none"> <li>Continue to deploy digital initiatives to increase operational efficiencies and offer a more seamless customer experience.</li> </ul> <b>Espace Maison</b> <ul style="list-style-type: none"> <li>Opening of sixth Espace Maison retail store in October 2019.</li> </ul> <b>CNOI</b> <ul style="list-style-type: none"> <li>Continue expanding our shipyard facility.</li> <li>Develop existing land to grow construction and repair services.</li> </ul>

## IBL's top 15 risks

- |  |   |  |
|--|---|--|
|  Misallocation of capital investment abroad |  Succession planning |  Tourism performance        |
|  Sugar cluster performance                  |  Competition         |  Property sales performance |
|  Talent Management                          |  Government policies |  Market concentration       |
|  Cybersecurity threats                      |  Business continuity |  Confidentiality breaches   |
|  Sustainability of tuna stocks              |  Reputation damage   |  Fraud and corruption       |

# Commercial

Please refer to p. 68 for more information on the Group strategy and p. 97 for more information on IBL's top 15 risks

Link to Group-Level strategy	Strategic directions	Objectives set for 2018-19	Performance against objectives
	<b>Wholesale and distribution</b> <ul style="list-style-type: none"> <li>Increase Mauritian market share and become our clients and suppliers' preferred commercial partner.</li> <li>Continued focus on automation and digitalisation: use of technology to improve point-of-sales performance, exploit e-commerce opportunities.</li> <li>Acquire regional distribution rights from suppliers (BrandActiv).</li> <li>Pursue organic and inorganic regional growth, particularly in Madagascar and the neighbouring region.</li> </ul>	<b>Wholesale and distribution</b> <ul style="list-style-type: none"> <li>Continue to improve efficiency via automation, ERP improvements, and consolidated and improved logistics.</li> <li>Continue to extend portfolio.</li> <li>Explore potential e-commerce opportunities.</li> <li>Continue to pursue regional partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>⚠</li> </ul>
	<b>Retail</b> <ul style="list-style-type: none"> <li>Continued focus on automation and digitalisation: use of technology to improve point-of-sales performance, exploit e-commerce opportunities.</li> </ul>	<b>Retail</b> <ul style="list-style-type: none"> <li>Continue to pursue client proximity strategy.</li> <li>Continue to improve efficiency (procurement and distribution, stock management, productivity) to drive profitability and better serve clients.</li> <li>Ongoing professionalisation of team members – investment in training, coaching for staff.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>⚠</li> <li>⚠</li> </ul>
	<b>Industrial supply</b> <ul style="list-style-type: none"> <li>Diversification into West African markets.</li> </ul>	<b>Industrial supply</b> <ul style="list-style-type: none"> <li>Continue to develop e-commerce-related opportunities e.g. home delivery.</li> <li>Particular focus on returning former Monoprix outlets to profit in the future.</li> <li>Development of new product – Winner's hypermarket (4200m<sup>2</sup> of retail space) – as a natural evolution of the business' growth strategy.</li> </ul>	<ul style="list-style-type: none"> <li>⚠</li> <li>⚠</li> <li>✓</li> </ul>
		<b>Industrial supply</b> <ul style="list-style-type: none"> <li>Development and market acquisition in the African market.</li> </ul>	<ul style="list-style-type: none"> <li>✗ Discontinued operations of Intergraph Editions.</li> </ul>

Actual performance met or exceeded target
 Actual performance almost met target
 Actual performance did not meet target

Link to Group-level risks	Digital Transformation initiatives	Priorities for 2019-20
<ul style="list-style-type: none"> <li>4 13 9</li> <li>7 3</li> </ul>	<b>Wholesale and distribution</b> <ul style="list-style-type: none"> <li>Digitalisation of BrandActiv's supply chain (ordering and merchandising), resulting in increased operational efficiency.</li> <li>Deployment of MedActiv's e-commerce platform for non-pharmaceutical products, enabling the upload of prescriptions online and collection in-store. A mobile application will be launched in early 2020.</li> </ul> <b>Retail</b> <ul style="list-style-type: none"> <li>The Winner's e-commerce platform was launched, offering Mauritian consumers an omnichannel shopping experience. Click &amp; Collect and home delivery services are both available, increasing proximity with customers.</li> </ul>	<b>Wholesale and distribution</b> <ul style="list-style-type: none"> <li>Continue to pursue strategy to strengthen local brands and regional partnerships.</li> </ul> <b>Retail</b> <ul style="list-style-type: none"> <li>Focus on our core capabilities, increase efficiency and optimise our cost structure.</li> <li>Ensure a lean and focused organisation.</li> <li>Continue growing e-commerce business by generating new leads, boosting website traffic and increasing conversion and retention rates.</li> <li>Renovation of several retail stores set to begin by the end of 2019.</li> </ul>

## IBL's top 15 risks

- |  |                       |                               |
|--|-----------------------|-------------------------------|
| 1 Misallocation of capital investment abroad | 6 Succession planning | 11 Tourism performance        |
| 2 Sugar cluster performance                  | 7 Competition         | 12 Property sales performance |
| 3 Talent Management                          | 8 Government policies | 13 Market concentration       |
| 4 Cybersecurity threats                      | 9 Business continuity | 14 Confidentiality breaches   |
| 5 Sustainability of tuna stocks              | 10 Reputation damage  | 15 Fraud and corruption       |

# Financial & Other Services

Please refer to p. 68 for more information on the Group strategy and p. 97 for more information on IBL's top 15 risks

Link to Group-Level strategy	Strategic directions	Objectives set for 2018-19	Performance against objectives
	<b>Cluster</b> <ul style="list-style-type: none"> <li>Improve operational efficiency.</li> <li>Invest in new technology to improve customer experience.</li> <li>Recruit, retain and develop its key talent.</li> <li>Seek out growth opportunities in Africa.</li> </ul>	<b>Banking</b> <ul style="list-style-type: none"> <li>Strengthen operational efficiency and customer service.</li> </ul>	
	<b>Banking</b> <ul style="list-style-type: none"> <li>Invest in human capital and back-office systems to continue to develop locally and acquire more international clients.</li> </ul>	<b>Global business</b> <ul style="list-style-type: none"> <li>Strengthen business' management structure and governance.</li> <li>Rebrand and strengthen corporate values.</li> <li>Invest in new IT systems and increase office space.</li> </ul>	Delay in the roll-out of DTOS digital initiatives.
	<b>Global business</b> <ul style="list-style-type: none"> <li>Pursue organic growth while attracting new clients through international partnerships.</li> <li>Establish offices in other countries.</li> <li>Invest in IT systems to improve efficiency and customer experience.</li> <li>Invest in marketing and business development.</li> </ul>	<b>Insurance</b> <ul style="list-style-type: none"> <li>Continue to improve efficiency and customer experience (EIL).</li> <li>Develop retail insurance and medical insurance lines of business (EIL).</li> <li>Rebrand and move to new offices in Ebene (EIL).</li> <li>Seek out partnership opportunities in Eastern Africa (EIL).</li> <li>Invest in business development and marketing strategies to find business opportunities in Eastern Africa (EILGeo Re).</li> </ul>	
	<b>Insurance</b> <ul style="list-style-type: none"> <li>Consolidate Mauritian activities by digitalising and improving customer experience (EIL).</li> <li>Expand into retail insurance market and continue to develop medical insurance (EIL).</li> <li>Conduct marketing activities to increase brand profile and drive awareness of B2C offer.</li> <li>Look for partnership opportunities in Eastern Africa (EIL, CBL and EILGeo Re).</li> </ul>		

Actual performance met or exceeded target
 Actual performance almost met target
 Actual performance did not meet target

Link to Group-level risks	Digital Transformation initiatives	Priorities for 2019-20
	<b>Insurance</b> <ul style="list-style-type: none"> <li>Revamped Eagle Insurance's website to reflect its new positioning and deployed a digital tool enabling customers to request and receive online quotes. Additional services are in the pipeline.</li> <li>For medical insurance, policyholders can now access a number of digital tools, including submission of claims online or through a mobile app.</li> <li>City Brokers has consolidated its digital foundation with the integration of a new software enabling direct communication with customers and new systems to improve operational efficiencies.</li> </ul>	<b>Banking</b> <ul style="list-style-type: none"> <li>Digitalisation of the client experience, which should improve following a workshop with Ron Kauffman scheduled for next year.</li> <li>Appointment of a Chief Technology and Operations Officer (CTOO) to lead the implementation of digitalisation initiatives.</li> </ul> <b>Global business</b> <ul style="list-style-type: none"> <li>Improve brand positioning and image internationally.</li> <li>Strengthen corporate culture.</li> <li>Improve work processes and client experience with new IT systems to be put in place.</li> </ul> <b>Insurance</b> <ul style="list-style-type: none"> <li>High expectations from Eagle Insurance's recent rebranding exercise: reinforcement of new modern positioning and of employee-first company culture.</li> <li>Continue to look for investment opportunities in an insurance company based in East Africa to expand regional footprint.</li> <li>Consolidate new identity to increase proximity with current customers and reach out to new segments.</li> <li>Strengthen operations to work towards sustainable profitability.</li> <li>Closely monitor and support Eagle Insurance Limited's takeover by HWIC Asia Fund.</li> </ul>

## IBL's top 15 risks

- |  |                       |                               |
|--|-----------------------|-------------------------------|
| 1 Misallocation of capital investment abroad | 6 Succession planning | 11 Tourism performance        |
| 2 Sugar cluster performance                  | 7 Competition         | 12 Property sales performance |
| 3 Talent Management                          | 8 Government policies | 13 Market concentration       |
| 4 Cybersecurity threats                      | 9 Business continuity | 14 Confidentiality breaches   |
| 5 Sustainability of tuna stocks              | 10 Reputation damage  | 15 Fraud and corruption       |

# Hospitality

Please refer to p. 68 for more information on the Group strategy and p. 97 for more information on IBL's top 15 risks

Link to Group-Level strategy	Strategic directions	Objectives set for 2018-19	Performance against objectives
	<ul style="list-style-type: none"> <li>Consolidation of leadership position in Mauritius and Indian Ocean by:                             <ul style="list-style-type: none"> <li>Pursuing asset-light strategy of acquiring management contracts rather than owning hotels.</li> <li>Refurbishing owned assets to improve competitiveness.</li> <li>Using sustainability as a sales argument: reducing waste and emissions, optimising water and energy consumption and improving livelihoods in the local communities in which the Cluster operates.</li> </ul> </li> <li>Expansion into new regions, namely Asia, Europe and the Middle East.</li> <li>Diversification of portfolio by targeting business and golf tourism.</li> </ul>	<ul style="list-style-type: none"> <li>Restructure LUX* headquarters and key roles (Business to be based in Singapore, with a Head of Indian Ocean and African markets based in Mauritius).</li> </ul>	✓
		<ul style="list-style-type: none"> <li>New Chief Executives for LIR and TLC to be announced in due course.</li> </ul>	✓
		<ul style="list-style-type: none"> <li>Acquire management contracts in Mauritius and internationally.</li> </ul>	✓
		<ul style="list-style-type: none"> <li>Take over management of SALT post-renovation.</li> </ul>	✓
		<ul style="list-style-type: none"> <li>Opening of LUX* North Male Atoll in 2018-19.</li> </ul>	✓
		<ul style="list-style-type: none"> <li>Successful launch of new hospitality brand.</li> </ul>	✓

✓ Actual performance met or exceeded target

Link to Group-level risks	Digital Transformation initiatives	Priorities for 2019-20
<ul style="list-style-type: none"> <li>11</li> <li>4</li> <li>9</li> <li>7</li> <li>3</li> <li>6</li> </ul>	<ul style="list-style-type: none"> <li>New LUX* Experience mobile application launched. Through the digital concierge, guests can tailor their stay, book activities and explore the hotel virtually. The application also includes a digital room key. All restaurants and spas are also equipped with digital menus.</li> <li>Implementation of a new ERP for improved productivity and efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Continue seeking out management contracts locally, regionally and internationally through TLC.</li> <li>Completion of the reconstruction of Merville into LUX* Grand Baie, with an opening scheduled for the first half of 2021.</li> <li>Continue to develop and export TLC's brands: LUX*, SALT, SOCIO, Tamassa and Café LUX*.</li> <li>Develop additional restaurant brands catering to a variety of segments.</li> <li>Develop employee retention strategy to retain talent in light of heightened competition.</li> </ul>

## IBL's top 15 risks

- |  |                       |                               |
|--|-----------------------|-------------------------------|
| 1 Misallocation of capital investment abroad | 6 Succession planning | 11 Tourism performance        |
| 2 Sugar cluster performance                  | 7 Competition         | 12 Property sales performance |
| 3 Talent Management                          | 8 Government policies | 13 Market concentration       |
| 4 Cybersecurity threats                      | 9 Business continuity | 14 Confidentiality breaches   |
| 5 Sustainability of tuna stocks              | 10 Reputation damage  | 15 Fraud and corruption       |

# Life

Please refer to p. 68 for more information on the Group strategy and p. 97 for more information on IBL's top 15 risks

Link to Group-Level strategy	Strategic directions	Objectives set for 2018-19	Performance against objectives
	<b>Cluster</b> <ul style="list-style-type: none"> <li>Continue to develop Cluster portfolio of innovative life sciences businesses through strategic partnerships.</li> </ul>	<b>Cluster</b> <ul style="list-style-type: none"> <li>Creation of a scientific and strategic committee to guide future investments.</li> <li>Roll-out of new Cluster-level strategy, with new avenues for development.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>⊙</li> </ul>
	<b>CIDP</b> <ul style="list-style-type: none"> <li>Focus on clinical studies and continue to diversify into pharmaceutical trials.</li> <li>Increase portfolio of local clients, especially in Brazil and Singapore.</li> <li>Encourage a spirit of innovation and a commitment to quality.</li> </ul>	<b>CIDP</b> <ul style="list-style-type: none"> <li>Recruitment of Business Development Executive to build European clientele.</li> <li>Continue to develop innovative protocols.</li> </ul>	<ul style="list-style-type: none"> <li>✗ Reflection on the job profile required.</li> <li>✓</li> </ul>
	<b>QuantiLab</b> <ul style="list-style-type: none"> <li>Continue to increase market share, particularly in the Audit and Environmental sectors.</li> <li>Keep developing accredited methods to keep pace with evolving legislation and clients' needs.</li> </ul>	<b>QuantiLab</b> <ul style="list-style-type: none"> <li>Develop strategic partnerships with established companies in the water treatment industry for the local and regional markets.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> </ul>
	<b>Proximed</b> <ul style="list-style-type: none"> <li>Explore new markets and expand activities outside the Medical sector.</li> <li>Diversify offer and continue to market innovative devices.</li> </ul>	<ul style="list-style-type: none"> <li>Recruit Business Development Executive to consolidate our market share locally and increase our international presence.</li> </ul> <b>Proximed</b> <ul style="list-style-type: none"> <li>Maintain market share in diagnostics sector and look into possible vertical integration by partnering with complementary businesses.</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓ IBL Life sold Proximed at the right time during the year, IBL Life will invest in new projects, while IBL focuses on HealthActiv.</li> </ul>

Actual performance met or exceeded target
 Actual performance almost met target
 Actual performance did not meet target










Link to Group-level risks	Digital Transformation initiatives	Priorities for 2019-20
<ul style="list-style-type: none"> <li>3</li> <li>6</li> <li>4</li> <li>8</li> </ul>	<ul style="list-style-type: none"> <li>In the context of a challenging business environment, we focused on the implementation of our new strategy. Therefore, no digital initiatives were carried out in the cluster this year.</li> </ul>	<b>Cluster</b> <ul style="list-style-type: none"> <li>Our overarching goal is to continue implementing our new strategy, while returning the Life cluster to profitability.</li> </ul> <b>CIDP</b> <ul style="list-style-type: none"> <li>Pursue reorganisation of the Group structure started in 2018 to ensure its return to sustainable profitability and good governance moving forward. Our next priority is to strengthen CIDP's market share in pharmaceuticals.</li> </ul> <b>QuantiLab</b> <ul style="list-style-type: none"> <li>Expansion of our regional footprint by exploring the potential opening of a branch in the region.</li> <li>Buyout of other shareholders.</li> <li>Continue diversifying our services.</li> </ul> <b>IBL LIFE</b> <ul style="list-style-type: none"> <li>Pursue our strategy of developing activities around the Life cluster and in line with Roland Berger's recommendations.</li> <li>Set up of the Health &amp; Wellness destination in Forbach.</li> </ul>

## IBL's top 15 risks





- |  |                       |                               |
|--|-----------------------|-------------------------------|
| 1 Misallocation of capital investment abroad | 6 Succession planning | 11 Tourism performance        |
| 2 Sugar cluster performance                  | 7 Competition         | 12 Property sales performance |
| 3 Talent Management                          | 8 Government policies | 13 Market concentration       |
| 4 Cybersecurity threats                      | 9 Business continuity | 14 Confidentiality breaches   |
| 5 Sustainability of tuna stocks              | 10 Reputation damage  | 15 Fraud and corruption       |

# Logistics







Please refer to p. 68 for more information on the Group strategy and p. 97 for more information on IBL's top 15 risks

Link to Group-Level strategy	Strategic directions	Objectives set for 2018-19	Performance against objectives
 	<ul style="list-style-type: none"> <li>Investing in technology to improve processes and become more efficient.</li> <li>Investing in e-commerce activities (creation of own-brand e-commerce platforms and offering logistics / technology-related support services).</li> <li>Investment in resources (warehousing space, transport) to ensure that we have the capacity we need to grow.</li> <li>Investing in human capital: staff training and development and succession planning.</li> <li>Exploring potential business opportunities in the East African region.</li> </ul>	<b>Cluster</b> <ul style="list-style-type: none"> <li>Continue to explore projects in the East African region.</li> <li>Succession planning in the context of an ageing workforce</li> </ul>	 
		<b>Logidis</b> <ul style="list-style-type: none"> <li>Investment in new Warehouse Management System.</li> <li>Review of ERP system to improve data flow and collection.</li> <li>New 5,500 m<sup>2</sup> warehouse to be completed.</li> </ul> <b>Somatrans</b> <ul style="list-style-type: none"> <li>Investment in new operational software.</li> </ul> <b>IBL Shipping</b> <ul style="list-style-type: none"> <li>Consolidation of shipping activities to offer clients a more integrated service.</li> </ul>	    

 Actual performance met or exceeded target      Actual performance almost met target

Link to Group-level risks	Digital Transformation initiatives	Priorities for 2019-20
   	<b>Logidis</b> <ul style="list-style-type: none"> <li>Roll-out of a Warehouse Management System set for October 2019. It will provide greater efficiency in the operations of the warehouse and optimise the management of the entire supply chain.</li> </ul> <b>Somatrans</b> <ul style="list-style-type: none"> <li>Implementation of a Freight Management System November 2019. It is designed to streamline the shipping process from quotation to delivery, and ensure that goods are delivered on budget and on time.</li> </ul>	<b>Cluster</b> <ul style="list-style-type: none"> <li>Continue exploring regional growth opportunities.</li> <li>Seek out effective automation measures in light of increasing labour costs.</li> </ul> <b>Logidis</b> <ul style="list-style-type: none"> <li>Ensure the successful implementation and adoption of the new Warehouse Management System.</li> <li>Deploy an internal Passenger Management System to optimise the flow of vehicles.</li> <li>Deploy a mobile application to enable drivers and passengers to access data in real time (arrival time, delays, etc.).</li> <li>Pursue growth opportunities by acquiring a target in East Africa.</li> <li>Consolidate the team.</li> </ul> <b>Somatrans</b> <ul style="list-style-type: none"> <li>Ensure the successful implementation and adoption of the new Freight Management System.</li> </ul>

## IBL's top 15 risks

- |  |   |  |
|--|---|--|
|  Misallocation of capital investment abroad |  Succession planning |  Tourism performance        |
|  Sugar cluster performance                  |  Competition         |  Property sales performance |
|  Talent Management                          |  Government policies |  Market concentration       |
|  Cybersecurity threats                      |  Business continuity |  Confidentiality breaches   |
|  Sustainability of tuna stocks              |  Reputation damage   |  Fraud and corruption       |

# Manufacturing & Processing

Please refer to p. 68 for more information on the Group strategy and p. 97 for more information on IBL's top 15 risks

Link to Group-Level strategy	Strategic directions	Objectives set for 2018-19	Performance against objectives
	<p><b>Beverages</b></p> <ul style="list-style-type: none"> <li>Development of new product categories.</li> <li>Regional expansion via acquisition of new businesses.</li> <li>Improved integration of businesses in Reunion Island, following the acquisition of Edena S.A.</li> </ul> <p><b>Seafood</b></p> <ul style="list-style-type: none"> <li>Pursue growth in value-added by-products, in particular fish by-products.</li> <li>Aim to create a truly global sector with operations in the Indian and Atlantic Oceans.</li> <li>Roll-out of new recruitment and talent management plan.</li> </ul> <p><b>Meat processing</b></p> <ul style="list-style-type: none"> <li>Become the preferred meat provider in Uganda.</li> </ul>	<p><b>Beverages</b></p> <ul style="list-style-type: none"> <li>Continue regional expansion.</li> <li>Rethink the recycling of waste (mainly PET) generated by our industry.</li> <li>Aim to move towards a Circular Economy.</li> </ul> <p><b>Seafood</b></p> <ul style="list-style-type: none"> <li>Continued lobbying of EU to improve how yellowfin quotas are implemented.</li> <li>Continue to pursue an international, value-added strategy: New fish protein and fish oil factory in Ivory Coast to be operational by December 2018.</li> </ul> <p><b>Meat processing</b></p> <ul style="list-style-type: none"> <li>Complete planned restructure.</li> <li>Business under ongoing review; potential decision to disinvest if current situation does not improve.</li> </ul>	<ul style="list-style-type: none"> <li> Lack of resources.</li> <li></li> <li></li> <li></li> <li> Opened in February 2019.</li> <li></li> <li> Discontinued meat processing activities due to challenging market conditions.</li> </ul>

Actual performance met or exceeded target    
 Actual performance almost met target    
 Actual performance did not meet target

Link to Group-level risks	Digital Transformation initiatives	Priorities for 2019-20
<ul style="list-style-type: none"> <li>5</li> <li>6</li> <li>9</li> <li>8</li> <li>2</li> <li>4</li> <li>3</li> </ul>	<p><b>Cluster</b></p> <ul style="list-style-type: none"> <li>Introduction of a new ERP for the entire cluster, set to be fully implemented by mid-2020.</li> </ul> <p><b>Beverages</b></p> <ul style="list-style-type: none"> <li>Implementation of new ERP that will enable process automation of the supply chain and customer portals to track orders until their delivery.</li> </ul>	<p><b>Beverages</b></p> <ul style="list-style-type: none"> <li>Development of new range of juice products in collaboration with Coca Cola to target health-conscious consumers.</li> <li>Continue to diversify portfolio by launching a new craft beer.</li> <li>Explore ways to reduce PET waste, particularly through bottle-to-bottle recycling and alternatives to PET bottles.</li> <li>Work towards reducing Co2 emissions through methanation, a chemical reaction that converts carbon dioxide and monoxide into methane, which can then be stored and used as renewable energy.</li> <li>Explore opportunities in the region, more specifically those related to wine.</li> </ul> <p><b>Seafood</b></p> <ul style="list-style-type: none"> <li>Focus on maintaining profitability internationally.</li> <li>Continue pursuing growth in fish by-products in Mauritius, particularly by producing fish oils.</li> <li>Launch of a new entity (Energie des Mascareignes) to add value to all liquid by-products and generate sustainable energy sources.</li> </ul>

## IBL's top 15 risks

- |  |                       |                               |
|--|-----------------------|-------------------------------|
| 1 Misallocation of capital investment abroad | 6 Succession planning | 11 Tourism performance        |
| 2 Sugar cluster performance                  | 7 Competition         | 12 Property sales performance |
| 3 Talent Management                          | 8 Government policies | 13 Market concentration       |
| 4 Cybersecurity threats                      | 9 Business continuity | 14 Confidentiality breaches   |
| 5 Sustainability of tuna stocks              | 10 Reputation damage  | 15 Fraud and corruption       |



# Property

Please refer to p. 68 for more information on the Group strategy and p. 97 for more information on IBL's top 15 risks

Link to Group-Level strategy	Strategic directions	Objectives set for 2018-19	Performance against objectives
	<p><b>Cluster</b></p> <ul style="list-style-type: none"> <li>In the medium term, Property Cluster to consist of a property development fund alongside a yield fund.</li> <li>Maintain ability to access funding and act on investment opportunities.</li> </ul> <p><b>Bloomage</b></p> <ul style="list-style-type: none"> <li>Improve asset and property management capabilities.</li> <li>Maintain gearing levels.</li> <li>Achieve growth by development projects within existing portfolio and through acquisitions in targeted property segments in order to achieve optimum target portfolio mix.</li> </ul> <p><b>BlueLife</b></p> <ul style="list-style-type: none"> <li>Reduce indebtedness and restore profitability in loss-making subsidiaries.</li> <li>Continue to promote Azuri as a lifestyle destination in Mauritius.</li> </ul>	<p><b>Cluster</b></p> <ul style="list-style-type: none"> <li>Capitalise on synergies between Bloomage, BlueLife and other IBL entities.</li> </ul> <p><b>Bloomage</b></p> <ul style="list-style-type: none"> <li>Aspiration to double Bloomage's total asset value within 5 years.</li> <li>Focus on operational excellence in asset and property management through recruitment and property specific training programmes.</li> <li>Divestments from non-core properties.</li> <li>Growth of portfolio through acquisitions and development in targeted segments.</li> </ul> <p><b>BlueLife</b></p> <ul style="list-style-type: none"> <li>Continue to reduce borrowings via the sale of earmarked assets.</li> <li>Restore cash flow surplus.</li> <li>Finalise Azuri masterplan and develop in phases.</li> <li>Launch of the Azuri Golf and golf view residential development in later 2018.</li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> <li></li> <li></li> <li></li> <li></li> <li></li> <li></li> <li></li> <li></li> </ul>

Actual performance met or exceeded target     Actual performance almost met target     Actual performance did not meet target

Link to Group-level risks	Digital Transformation initiatives	Priorities for 2019-20
<ul style="list-style-type: none"> <li>12</li> <li>3</li> <li>7</li> <li>8</li> <li>15</li> <li>4</li> </ul>	<p><b>Bloomage</b></p> <ul style="list-style-type: none"> <li>Revamped the website and strengthened online presence in response to emerging consumer trends and a more digital future.</li> </ul> <p><b>BlueLife</b></p> <ul style="list-style-type: none"> <li>Deployment of smart building solutions in the construction of luxury villas, which reduced inefficiencies in the design and construction process, improved productivity, and saved both time and resources.</li> <li>Rolled out digital marketing strategy to increase leads and boost sales.</li> <li>Equipped luxury villas with smart home technologies to enhance the lives of homeowners. Automated systems are in place to monitor and optimise maintenance, security and energy consumption.</li> </ul>	<p><b>Bloomage</b></p> <ul style="list-style-type: none"> <li>Accelerate growth.</li> <li>Have funding plan approved and in place for acquisitions and development plans.</li> <li>Completion of several projects in the pipeline, including Victoria Station and Riverside shopping mall.</li> <li>Settle on a plan of action for Monoprix Curepipe.</li> </ul> <p><b>BlueLife</b></p> <ul style="list-style-type: none"> <li>Roll-out of BIM, an intelligent 3D software that increases the efficiency of planning, designing and managing buildings. Appointment of a BIM expert to ensure seamless adoption.</li> <li>Launch of Azuri's golf view residential development.</li> <li>Finalise the sale of at least two non core-assets, for instance one hotel and one commercial building.</li> </ul>

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