

Market Highlights

8th of July 2013

Official Market	
Top gainers	Δ Quarter
Lux	22.2%
Omnican	17.3%
PAD	16.5%
POLICY	14.0%
ENLLAND (P)	9.6%
Top losers	Δ Quarter
Dale Capital	-35.2%
Go Life	-25.0%
Vivo	-12.2%
Caudan	-10.3%
Le Meritt	-7.8%
Most traded	Value(Rs m.)
MCB	643.9
SBM	492.8
NMH	171.5
ALTEO	148.0
UBP	142.0

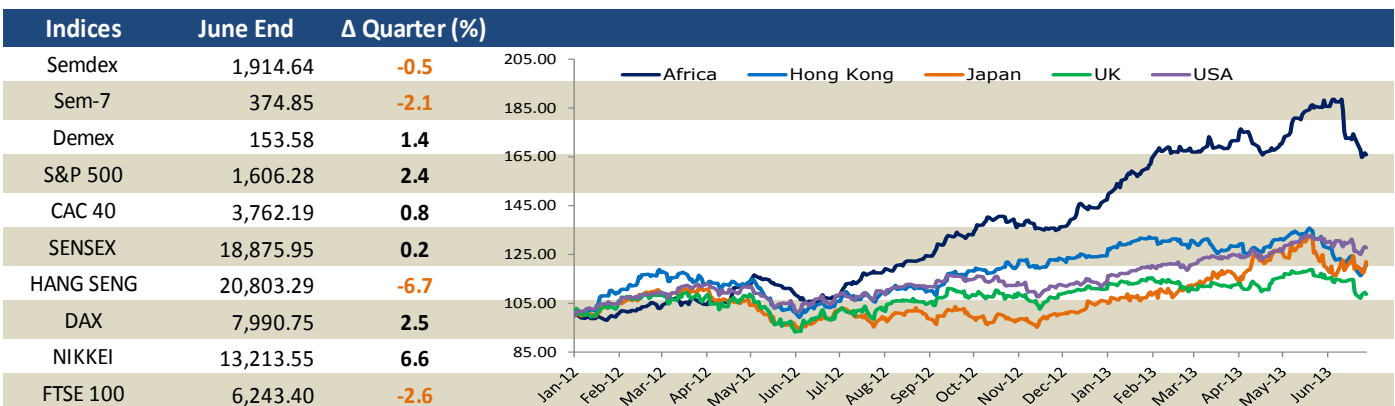


Dem Market	
Top gainers	Δ Quarter
ENL (P)	30.1%
Livestock Feed (P)	19.6%
Hotelest	18.9%
Constance Hotels	14.3%
DRIL	10.0%
Top losers	Δ Quarter
SODIA	-56.0%
SIT Land Holdings	-19.2%
TPL (P)	-12.0%
Soap & Allied	-11.8%
Quality Beverages	-10.6%
Most traded	Value(Rs m.)
Medical & Surgical	198.3
Ciel Investment	40.3
Ciel Textile	32.7
Bharat Telecom	19.7
EUDCOS	14.3

Throughout Q2, market performance was almost like a bell-shaped curve where it began its ascension towards May, during interim results season to witness an exit as from mid-June. Overall, corporate earnings declined on a q-o-q basis, with a few exceptions. The **Semdex concluded the quarter at 1914.64 points (-0.5%)** and the blue chip index finished at 374.85 (-2.1%). **Market Turnover** on the official market amounted to **Rs.2.2bn** which was lower than Q1's Rs3.0bn. **Net foreign inflows of Rs252m in Q2** was also inferior to Q1's Rs513m.

At economic level, the ongoing recession in Europe remains a hurdle for our key industries, notably tourism and the export oriented companies. **GDP growth forecast** was lowered twice this year and latest reports estimated a growth of 3.3%, with the construction sector expected to contract by 7.7%. **Unemployment** on the other hand is rising and expected to reach 8.3% in 2013. Taking those elements into account, the **Monetary Policy Committee cut 25bps off the repo rate to 4.65%**, as a move to sustain trade and commerce. **Tourist Arrivals** for 2013 has been revised downwards to 990k visitors against a very ambitious target of 1m visitors initially. Noted progression in visitors from the Asian/Chinese market has been able to fill in the European market gap to only some extent.

The quarter was also marked by the **placement of debentures** in the form of Medium Term Note and Multicurrency Term Note by **CFS and Alteo** respectively, where they were both oversubscribed, showing the excess liquidity on the market.



*Source: SEM, Bloomberg & MSCI Index Performance

*all indices were rebased to 100

Official Indicators	28-Jun-13	29-Mar-13	Δ Quarter	Δ 1 Year
Semdex	1,914.64	1,924.85	-0.5%	7.8%
SEM-7	374.85	382.99	-2.1%	10.2%
Semtri (USD)	2,987.83	2,994.24	-0.2%	10.9%
Market Cap. (MUR bn.)	194.53	195.57	-0.5%	15.9%
PER	13.43	13.47	-0.3%	26.3%
Dividend Yield (%)	2.81	2.88	-2.3%	-14.1%
	Q2 2013	Q2 2012		
Volume Traded (m.)		522.30		47.21
Value Traded (MUR m.)		2,218.60		2,235.07
Average Daily Turnover (USD '000.)		1,158.08		1,132.39

Last quarter turnaround was alas not maintained towards the end of the 2nd quarter of this year, despite the noteworthy progression seen during May. A relatively lower net foreign participation was witnessed compared to Q1 2013, dominated by exchanges **over MCB and NMH (93% of Q2 NFP)**. Moreover, market was considerably moved by the release of quarter financials, as well as new partnerships and restructuring being undertaken, such as **Omnicanne and MEI**.

On a q-o-q basis, the **Semdex declined by 0.5% to reach 1,914.64** points. But the all share index was buoyed by the pouring in of earnings announcements and company news to **even reach a high of 1958.00**. Total market turnover was lower when compared to that of Q1 2013, with the two biggest banking duo accounting for 51%.

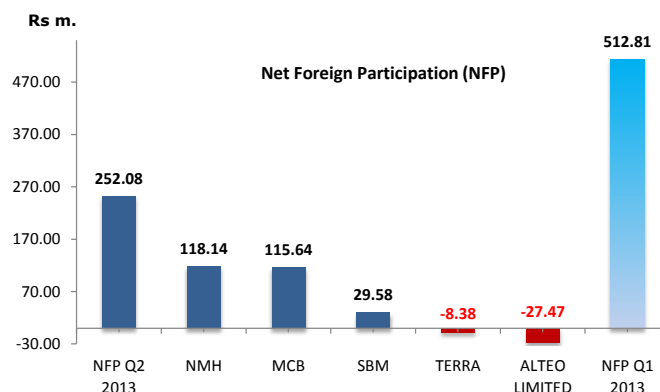
As at June end, market **PER stood at 13.4x** higher compared to end of June 2012 which was 10.6x. Market **Div. Yield was 2.8%** as opposed to 3.3% for the same period last year.

MCB (-2.7%) concluded at Rs186 by end of June, after reaching a record high at Rs196.00, mainly due to sell off pressure from local investors as well as foreigners recently. Moreover the bank's earnings were dented by higher non-performing loans as at March end. **State Bank (-1.0%)** fluctuated mostly between Rs1.04 and Rs1.03 throughout the quarter, with high level of foreign activity accounting for Rs375.2m in purchases and Rs345.7m in sales.

Insurance companies such as **MUA (-5.7%)** and **SWAN (-6.0%)** were impacted by the recent severe flood in Mauritius with higher claims being accounted for in their latest financials. However, **MEI (+5.3%)** was the exception given the market reacting positively to the disposal of its life insurance business. **CFS** saw an upside of 7.8% to reach Rs6.36 on the back of a good set of Q2 financials. **Bramer (+2.5%)** traded from a low of Rs6.74 to a high of Rs7.80.

The ongoing difficult trading conditions within the tourism industry lead to drops in earnings reported by both **NMH (-5.1%)** and **Sun Resorts (+2.1%)**. On the other hand, **Lux Island Resorts (+22.2%)** saw an improvement in operating margin to 24.5% and 82% increase in profit as compared to 2012.

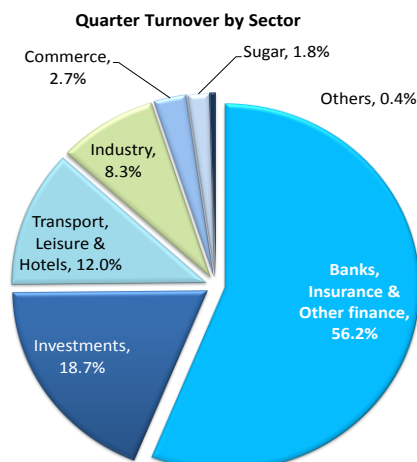
Multi Sector groups such as **Alteo (-2.5%)** and **Terra (-1.9%)** were significantly exchanged, where the latter recently acquired 10% stake in a young local bank, in line with its strategy to further expand in non-sugar related activities. The investment holding company **Rogers (-0.8%)** traded within the range of Rs169.50 to Rs192.75. **ENL Commercial** which generated reduced financial losses climbed up by 8.8%.



The sugar conglomerates, Omnicanne and ENL Land accounted for 1.8% of the quarter's turnover, where **Omnicanne (+17.3%)** went on to be the second best performer. This performance was mostly driven by news of new projects such as the Kenyan sugar operations and the airport hotel construction to be completed by November 2013. Despite an improvement of 139% in operating profit to Rs67.6m as at March end 2013, bottom line is still being negatively impacted by high finance costs of Rs148m. **ENL Land(O)** dropped by 2.1% after shooting up by 20.8% in Q1, while **ENL Land(P)** progressed by 9.6%.

Other events included **IBL (+6.6%) jumping to a new record high at Rs92.00**, on the back of earnings from its Seafood segment contributing to better financials. **UBP (-1.0%)** saw crosses of 500k and 760k shares at Rs105.00 which represented 4.8% of the company's issue shares. The illiquid **Dale Capital (-35.2%)** lost further steam and a new property fund **Sanlam Africa Core Real Estate** was listed on the official market.

Overall, in Q3 2013 market shall be on the lookout for the FY 2013 results due to come in. Given the competition prevailing, banks earnings growth in the near future will more likely originate from their international/segment B operations. As for the major hotel groups, those implementing market diversification towards the Asian market and on-going cost containment shall hopefully see improved earnings, such as in Lux Island Resorts case. Arrivals from Europe will continue to suffer from weak economic conditions prevailing as well as limited air access driving up air ticket prices.



DEM Indicators	28-Jun-13	29-Mar-13	Δ Quarter	Δ 1 Year
Demex	153.58	151.40	1.4%	3.3%
Demtri (MUR)	181.96	178.64	1.9%	5.7%
Demtri (USD)	183.62	180.15	1.9%	5.9%
Market Cap. (MUR bn.)	46.71	45.17	3.4%	-18.4%
PER	12.44	11.03	12.7%	13.9%
Dividend Yield	2.93	3.12	-6.0%	19.7%
	Q2 2013		Q2 2012	
Volume Traded (m.)	184.67		18.62	
Value Traded (MUR m.)	400.10		370.49	
Average Daily Turnover (USD '000.)	208.84		187.71	

The **Demex** soared by 1.4% over the second quarter to finish at 153.58 points, driven by **Medine Ordinary** (+8.2%), **Deep River Investment** (+10.0%) and **Ciel Investment** (+9.1%). The latter continued to witness several significant crosses which resulted to a total volume of 13.7m shares exchanged (value:Rs40.3m) and the stock even reached a high of Rs3.15 during the quarter. Excluding an exceptional profit of Rs147.5m in 2012 with regards to revaluation of land at Ferney, Ciel Investment's earnings improved by 129.0% for FY 2013.

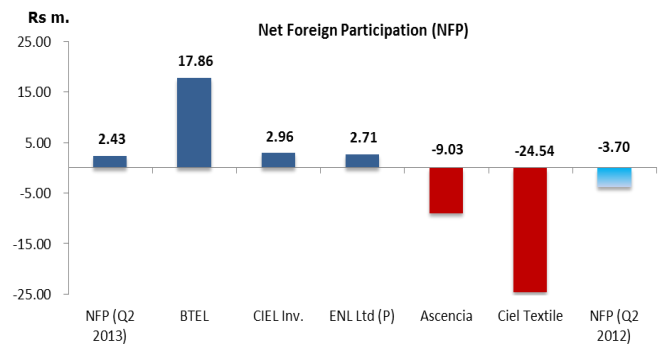
Overall **turnover** amounted to Rs400.1m, geared towards **Medical & Surgical** (+1.1%), contributing 50% to TMT. Two days prior quarter end, the stock saw a cross of 162m shares on the crossing board at Rs1.22, which represented 28.5% of the company's total shares in issue.

The telecommunication company **Bharat Telecom** which was introduced on the market on the second quarter of last year, saw net foreign purchases amounting to Rs17.9m in Q2 2013. The company recouped from its lowest level of Rs49.00 registered in mid-June to close the quarter at Rs52.70, however losing 7.9% q-o-q.

On the **commerce** counter, **ABC Motors** dropped by 3.4% on merely 127 shares traded, whilst gainers were **Associated Commercial** (+5.4%) and **Chemco** (+5.0%).

Main losers were across the industrial counter, whereby the worst performer was **SODIA** which tumbled by 56.0% to reach an all-time low of Rs0.22 on a notable volume of 3.2m shares traded as latest financials continued to report difficulties faced by the group's subsidiary BIODIA. **Soap & Allied Industries** (-11.8%) and **Quality Beverages** (-10.6%) as well performed negatively albeit thin volumes.

The top gainer was **ENL (P)** which rallied 30.1% post bonus. However, **Union Flacq** which was the best performer in Q12013 (+50.0%) lost some steam in Q2 to close lower to Rs6.86 (-8.7%). Foreign investors were net sellers on **Ascencia** (-3.5%) on an amount of Rs9.3m. Discussions are currently under way between the management of Ascencia and ENL Property Ltd to consider synergies between them.

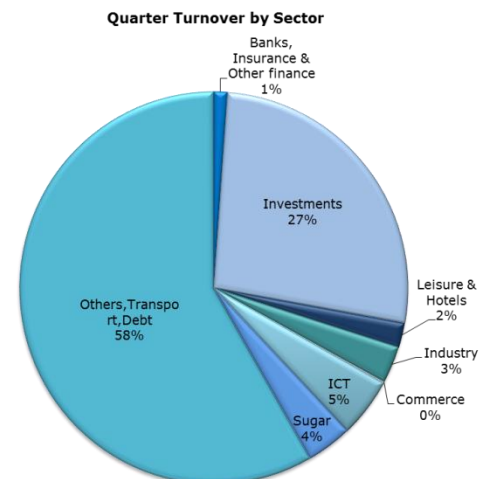


Mixed feelings were witnessed on the **hotel** counter. Surge in **Constance Hotels Services** (+14.3%) and its holding company **Hotelest** (+18.9%) share prices were noted on the back of improved results and recently it announced the acquisition of remaining stake of 65% in Constance Halaveli Resorts for USD 17.5m. On the other hand **Tropical Paradise Ordinary** and **Southern Cross Tourist** gave up 1.7% and 2.3% respectively.

Ciel Textile reached an all-time high of Rs25.20 near the end of April and saw some correction thereafter to end the quarter at Rs22.50 (-6.3%). Foreign investors were net sellers to an amount of Rs24.5m on the stock.

On the sugar counter, **Constance La Gaiete** pursued its ascension by 8.7% on thin trade, while **Union Sugar Estate** grew by 6.6% on a total volume of 40.4k shares traded over the quarter.

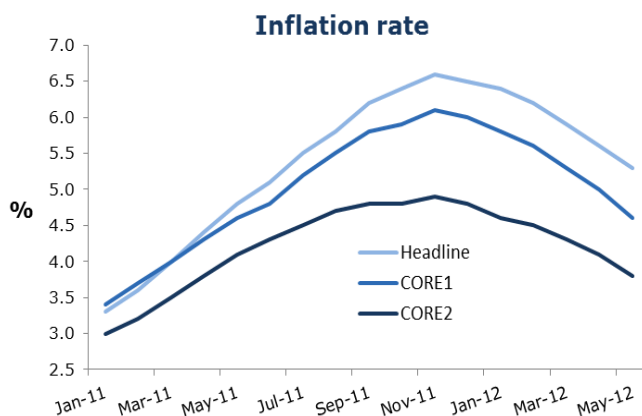
Likewise the official market, Dem will see the release of FY 2013 results inclusive of companies namely Medine Ltd, investment companies such as DRIL and ENL Investment as well as Ciel Textile which forms part of the big chunk in terms of market capitalization. For FY 2013, Ciel Textile has declared a total dividend of Rs1.50 (2012:Rs1.00) and at a current price of Rs22.30 (08th Jul 2013) the group has an attractive dividend yield of 6.7%.



Economics

GDP growth – for the second time this year, Statistics Mauritius has reviewed the growth rate downwards to 3.3% for the year 2013 (2012: 3.3%), compared to a forecast of 3.5% growth back in March 2013. The sugar sector is expected to expand by 3.2% (v/s -7.3% in 2012), further deterioration in the construction industry to -7.7% (against -6.9% forecasted back in March 2013), lower growth rate of 5.5% for financial and insurance activities (2012: +5.7%) and reduced performance from accommodation and food service activities with an expected rate of 2.5% based on a lower tourist arrivals forecast. Similarly, the Bank of Mauritius has revised the GDP growth forecast for 2013 to a range of 3.2% to 3.7% against the initial projection in the range of 3.4% to 3.9%.

Repo rate – was cut by 25bps to 4.65% by the Monetary Policy Committee. The latter took into consideration the on-going economic weakness in the UK as well as our main trading partners in Europe, notwithstanding USA managing to face the headwinds. Moreover, the slow growth within our export industry as well as considerable contraction in the construction industry has been well noted by the Committee. Moreover there is also potential upside risks to inflation following the implementation of the PRB and potential wage rise on the private sector this year. According to a survey, mean headline inflation for December 2013 is expected to be 4.3%. On a no-policy change basis, y-o-y inflation is forecast within the range of 5.3% - 5.8% while the headline inflation would be 4.1% - 4.3% by December 2013.



Tourist arrivals – latest data reported an increase of 1.0% over the period January to May 2013. Visitors from Europe and America dropped by 5.4% and 11.7% respectively. On the other hand, positive growth rates were registered from Africa (+6.0%) and Asia (+30.6%). Tourist earnings have contracted by 9% for the period January to April 2013. For 2013, tourist arrivals have been reviewed downwards to 990,000 from the initial forecast of 1m and tourist earnings are anticipated to reach Rs46.1bn (2012:Rs44.4bn).

Unemployment rate - is expected to increase to 8.3% in 2013 from 8.1% in 2012.

Foreign Direct Investment – in Mauritius for the 1st semester of 2013 stood at Rs2.67bn, representing a 67.5% growth over the same period last year which was Rs1.59bn. Real Estate sector generated an amount of Rs1.4bn, out of which Rs1.2bn pertained to investments in IRS/RES/IHS real estate schemes. 40% of FDI were engendered by Europe, notably France (Rs750m). Investment value from Asia was higher by 53.8% to Rs895m compared to Rs582m in 2012.

MEI - in line with the company's strategy to focus on general insurance business, the latter has disposed 70% of Mauritian Eagle Life Company Limited to Metropolitan International Holdings Proprietary Limited which is based in Southern Africa.

Phoenix Beverages - as from 01st July 2013 Mr Bernard Theys will be the new CEO of the company in replacement of Mr Richard Wooding.

Dale Capital Group - the board of directors of the company has approved the disposal of Shelly Point Hotel and the group is still awaiting government approval on the sale of the Beach Club Property holding company linked to the Les Ecuries Project.

ENL Limited - (i) 104,339,424 new preference shares (listed shares on the DEM) was credited as fully paid to holder of preference shares in the proportion of 149 new preference shares for every preference share held and a holder of ordinary shares (unlisted shares) in the proportion of 53 new preference shares for every ordinary shares held. (ii) 108,074,976 new ordinary shares (unlisted shares) credited as fully paid up to holders of ordinary shares in proportion of 96 new ordinary shares for every ordinary shares held. First trading session of bonus shares started on the 20th June 2013.

Bharat Telecom - was included in the calculation of the DEM prices & market capitalisation as from the 3rd June 2013.

Fayence Capital Limited - 100,000 non-voting, ordinary par value Class A participating shares was listed on the official market on 05th June 2013 by way of an offer for subscription at a nominal price of GBP 100 per share.

Global Windsor Capital Fund Limited - 200 000 participating shares of the fund by way of private placement at price of US\$100 each was listed on the official market on 07th June 2013.

Cim Financial Services - raised up to Rs750m for its first tranche medium term note programme (aggregate nominal amount of Rs1.2bn) on the 11th June 2013. The 5-year tenor notes has a secured fixed rate of 5.55% per annum payable semi-annually in arrears on 11th Dec and 11th June of each year until maturity on 11th June 2018. The notes will not be listed on the SEM.

ENL Land & Ascencia - discussion presently underway between the management of ENL Property group and Ascencia with a view of optimizing their property structures.

Gamma Civic - with regards to the company's share back buy scheme, as at 28th June 2013 no shares has been bought back by the company and 6,662,500 shares remained to be bought back.

Omnican - construction of a new airport hotel with 140 rooms will be completed by 28 November 2013. The project is expected to cost Rs840m and will be financed partly by Omnican's own funds as well as funds borrowed from banks. A franchise agreement through the company's subsidiary Airport Hotel Ltd has been signed with IHG Hotels Limited and the new airport hotel will operate under the Holiday Inn brand.

Ciel Investment - with regards to the company's share back buy scheme, as at 28th June 2013, 3,754,757 shares have been bought back by Ciel and 46,583,510 shares remained to be bought back.

Sanlam Africa Core Real Estate Fund Limited - the SEM has approved the listing of 90,000,000 Class A shares on the official market by way of placing. A portion of the Fund shares was listed on 16th May 2013 at a price of US\$5 and it has successfully concluded its first capital raise of US\$100m.

Alteo - successful capital raising whereby there was an oversubscription of the first issue of notes (Rs1.8bn compared to Rs1.0bn targeted). The weighted average fixed rate of interest was set at 5.28% and has taken into consideration notes for 1-year, 3-year and 5-years amounting to Rs200m, Rs400m and Rs400m respectively. The notes will not be listed on the SEM.

Fuel Properties Ltd - has changed its name to BlueLife Ltd and was admitted on the DEM on 146.7m no par value ordinary shares on 1st July.

Sun Resorts - board has nominated Mr Philippe C.J. Cassis as the new Chief Executive Officer effective 1st Jan 2014 in replacement of Mr Felice Piccirillo, who will remain as an advisor until his retirement on 30th June 2014.

MCB - has obtained approval to proceed with the issue of floating rate subordinated notes of Rs3bn (or up to Rs4.5bn in event of oversubscription) which will listed on the on the official market. Minimum subscription amount is Rs50,000 and interest rate paid for the 10-year note is repo rate + 1.35%.

Mauritius Commercial Bank Ltd (Accumulate)	Price (Rs)	184.00
<p>Higher allowance for credit impairment impacted negatively on results of MCB.</p> <p>For the quarter ended 31 March 2013, MCB saw its operating income grow by 7.6% on the back of higher net fee and commission income (+33.2% to Rs 687.2m) and higher net interest income (+5.2% to Rs 1.7bn). However, other income declined by 17.8% to Rs 301.9m. Operating profit for the quarter fell by 2.2% due to higher allowance for credit impairment (+71.0% to Rs 296.9m). Share of profit of associates were significantly lower, down by 95.5% to Rs 1.8m. Profit for the period stood at Rs 974.4m (-4.7%).</p> <p>International Operations future driver of earnings growth?</p> <p>We believe there is further growth potential for the trade finance business which already showed tremendous growth since 2010 (+72.9%). However, on the local front MCB may witness increased competitiveness on its segment A activity with the major groups in the country acquiring stakes in different domestic banks. However, this risk is on a medium to long term perspective since these banks do not yet have the required capitalization to compete with MCB in the short-term. The bank is restructuring its activities between banking and non-banking businesses and went for Subordinated Notes in order to raise capital to do so. The stock is trading at a price to earnings multiple of 10.2x and we have an accumulate recommendation on MCB.</p>	<p>Δ Quarter ↓ -2.7%</p> <p>High 196.25</p> <p>Low 185.00</p> <p>VWAP 191.44</p> <p>P/E 10.2</p> <p>P/NAV 1.6</p> <p>DY 3.3%</p>	

State Bank of Mauritius Ltd (Accumulate)	Price (Rs)	1.02
<p>SBM reported higher profit driven by net interest income.</p> <p>The Group's net interest income grew by 16.1% to Rs 995.5m on the back of lower interest expense (-14.1%). Both Net fee and commission income and non-interest income were down by 8.8% causing operating income to grow by only 8.1%. Net profit was higher by 12.8% to Rs 715.2m.</p> <p>Management expects system costs to impact on Group's profit in the short term.</p> <p>Recent technology and business transformation initiatives are expected to impact negatively on the Group's bottom line in the short term. SBM is planning to diversify geographically in order to boost future growth. SBM which is highly capitalised with a CAR of 22% has ample leeway to do so or if need be could consider capital raising on the debt market. SBM may also consider the trade finance opportunities in Africa which are offering interesting margins. We have an accumulate recommendation on the stock which is trading at price to earnings multiple of 8.5x.</p>	<p>Δ Quarter ↓ -1.0%</p> <p>High 1.05</p> <p>Low 1.01</p> <p>VWAP 1.03</p> <p>P/E 8.5</p> <p>P/NAV 1.6</p> <p>DY (est.) 3.9%</p>	

New Mauritius Hotels Ltd (Hold)	Price (Rs)	69.75
<p>Loss of market share in the lower segment impacted negatively on profits of NMH.</p> <p>The Group's turnover fell by 5.6% to Rs 2.2bn due to a decline of 7.5% in tourist arrivals from traditional markets. Finance costs fell by 9.8% to Rs 136.9m while net profit fell by 21.6% to Rs 278.6m. As NMH strived to maintain its prices to protect its hotels' image and positioning, it lost market share with respect to its competitors in the lower rated hotels of the Group.</p> <p>High interest of foreign investors on the stock.</p> <p>Going forward, we expect the declining earnings trend of the first semester to persist, excluding any profit that would accrue on the Marrakech project. The sale of villas in Morocco would be a breather to the Group in terms of cash flow generation and debt repayment. Foreign investors showed high appetite for the stock during the quarter (net inflow: Rs 118.2m). NMH is trading at a price to earnings multiple of 26.3x with a gearing of 93.8% and we maintain our hold recommendation for the stock.</p>	<p>Δ Quarter ↓ -5.1%</p> <p>High 78.00</p> <p>Low 70.25</p> <p>VWAP 71.87</p> <p>P/E 26.3</p> <p>P/NAV 0.8</p> <p>DY 0.0%</p>	

Alteo Ltd (Accumulate)	Price (Rs)	35.00
<p>Lower performance of Tanzanian operations dented profitability of Alteo</p> <p>Nine-month results of Alteo, the new entity following the merger of DRBC and Fuel, are not comparable with 2012 figures which includes only DRBC's performance. The Group reported a turnover of Rs 1.1bn with the main contributors being the sugar (+54.3%) and energy (22.0%) business. Operating profit for Alteo was lower than DRBC for the corresponding period in 2012 and stood at Rs 106.9m (-65.5%). Finance costs amounted to Rs 67.9m while share of results of joint venture posted a profit of Rs 86.1m (2012 Rs 3.5m) including an exceptional one off revenue. Losses for the quarter amounted to Rs 65.3m mainly due to losses of the sugar (Rs 34.9m) and energy operations (Rs 79.6m). The sugar business in Tanzania which has been the main profit driver for DRBC reported a decline of 31.7% in profits to Rs 179.1m.</p> <p>African projects in the pipeline?</p> <p>The rationale behind the merger was to create synergies between FUEL and DRBC and to position the Group to take advantage of new development opportunities in the region. Alteo would benefit from the expertise of DRBC through its Tanzanian operations to expand further on the African continent. However, the Group has not yet announced any future project. We have an accumulate recommendation for the stock which is trading at a discount of 24.4% to its NAV and offers a dividend yield of 2.1%.</p>	<p>Δ Quarter ↓ -2.5%</p> <p>High 38.10</p> <p>Low 35.50</p> <p>VWAP 36.81</p> <p>P/E 30.4</p> <p>P/NAV 0.8</p> <p>DY 2.1%</p>	

ENL Land Ltd (Buy)	Price (Rs)	46.00
<p>Turnaround of Agriculture business boosted operating profits of ENL Land.</p> <p>The Group's turnover improved by 83.1% to Rs 223.7m due to higher contribution of the property segment boosted by sale of residential units from the second phase of Les Allées d'Helvétia. Operating profit grew by 36.5% to Rs 26.2m, however operating margins witnessed a contraction from 15.7% to 11.7%. Finance costs were higher by 25.3% while share of results of associates declined by 14.2%. Net profit for the period was down by 63.4% mainly due to an exceptional profit of Rs 85.3m in the corresponding quarter last year. The main contributor to profit was the land and investment segment while the Agriculture cluster reported a profit of Rs 23.9m compared to losses of Rs 24.9m for the corresponding quarter last year.</p> <p>Expected Synergies between ENL Land and Ascencia.</p> <p>For the year ended June 2013, the Group expects improved performance with its agriculture cluster as sugar prices and sugar production were higher than anticipated. The poultry and landscaping activities are also expected to contribute positively to the agricultural's segment profitability. Residential development at Bagatelle saw deposits for 80% of plots available for sale while reservation contracts for 40% of units available for the third phase of Les Allées d'Helvétia have already been recorded. The Group is also discussing with Ascencia in order to develop synergies between its subsidiary ENL Property and Ascencia. The stock is trading at price to earnings multiple of 9.5x and a discount of 26.5% to its NAV. We have a buy recommendation on ENL Land which improved its dividend by 38.6% for the FY 2013.</p>	<p>Δ Quarter ↓ -2.1%</p> <p>High 48.75</p> <p>Low 46.00</p> <p>VWAP 47.82</p> <p>P/E 9.5</p> <p>P/NAV 0.7</p> <p>DY 2.7%</p>	

TERRA Mauricia Ltd (Buy)	Price (Rs)	40.80
<p>Improved results from Energy and Commercial clusters helped reduce losses of Terra</p> <p>The Group's turnover improved by 1.1% to Rs 654.6m while operating losses fell by 8.7% to Rs 34.7m. Finance costs were reduced significantly, down by 65.9% to Rs 8.4m. The lower finance cost coupled with improved results of its Energy (+28.3%) and Commercial (+67.0%) arms led to a reduction of 57.0% in losses to Rs 18.3m. Going forward, we expect improved sugar operations during FY2013 with higher production and same price level for the commodity. The distilling operations managed to improve its margins despite higher excise duty on cane based spirits. On the energy front, post-debt tariff will be lower but will be compensated by lower finance cost. The Group anticipates better result from this cluster as well with good off-take from CEB in the first semester.</p> <p>Higher exposure in the financial sector</p> <p>Terra sold remaining 2.8% in Maritim for Rs 28.1m in May 2013 and increased its exposure in the financial sector through acquisition of 10% stake in Banyan Tree Bank. The Group is among one the main shareholder of Intendance Holding (44.95%) which is the holding company of Swan. We expect positive outcome from the disinvestment in the suffering leisure industry and investment in the growing financial industry. We have a buy recommendation on Terra which is trading at a discount of 43.7% to its NAV, has a low level of debt and shows healthy cash flow generation.</p>	<p>Δ Quarter ↓</p> <p>High</p> <p>Low</p> <p>VWAP</p> <p>P/E</p> <p>P/NAV</p> <p>DY (est.)</p>	<p>-1.9%</p> <p>43.00</p> <p>40.00</p> <p>41.40</p> <p>17.7</p> <p>0.6</p> <p>2.0%</p>

Ireland Blyth Ltd (Buy)	Price (Rs)	87.00
<p>Improved results from Seafood & Marine sector boosted profits of IBL</p> <p>IBL's Turnover grew by 11.3% to Rs 4.6bn with the higher contribution of the Seafood & Marine (+21.5%) and Financial (+11.4%) clusters. Higher operating margins led to higher operating profits (+24.4%) while finance costs were slightly higher by 1.5% to Rs 114.2m. Net profits were higher by 53.8% to Rs 132.9m due to higher profitability of the Seafood & Marine business (+89.2%) coupled with surplus of disposal of a majority stake in the group's long-term insurance business which enhanced performance of the Financial Services sector. The Retail and Engineering businesses were the only ones to report lower performance during the quarter. Going forward, IBL expects the Retail and Engineering cluster to remain under pressure due to severe competition while the Seafood & Marine sector should maintain its upward trend.</p> <p>Regional expansion</p> <p>The Group expects future growth to arise from regional expansion and entered into a Public-Private Partnership with the Republic of Gabon through the 'Fonds Gabonais d'Investissements Strategiques' (FGIS) for the development of seafood and marine sector. We view positively the prospect of this partnership and expect development of synergies with its existing activities to boost revenue and bottomline. We have a buy recommendation for IBL which is trading at price to earnings multiple of 11.8x (compared to a P/E of 15.5x for commerce and 20.7x for industry).</p>	<p>Δ Quarter ↑</p> <p>High</p> <p>Low</p> <p>VWAP</p> <p>P/E</p> <p>P/NAV</p> <p>DY</p>	<p>6.6%</p> <p>92.00</p> <p>83.50</p> <p>88.11</p> <p>11.8</p> <p>1.4</p> <p>2.9%</p>

Omnican Ltd (Accumulate)	Price (Rs)	86.50
<p>Improved performance of sugar refinery lowered losses of Omnican.</p> <p>The Group's turnover fell by 3.2% to Rs 774.1m as the higher contribution of the sugar cluster (+386.8%) was mitigated by the lower contribution of the Energy sector (-15.4%). Operating profit improved by 139.7% with margins expanding from 3.5% to 8.8%. Finance costs grew by 12.9% to Rs 147.8m. Net losses fell by 38.5% to Rs 76.8m on the back of improved performance of its sugar refinery.</p> <p>Omnican positioning itself to benefit from growth in the region.</p> <p>The main attraction of the Company remains its African project in Kenya and Rwanda. Operations in Kenya are expected to start mid-2014 while construction of the hydro-electrical project in Rwanda is expected to start soon. Moreover, the Group is also starting ethanol production in September 2013 and the soft-opening of its airport hotel under the 'Holiday Inn' brand is expected for mid-December 2013. Sugar operation for FY 2013 is expected to improve with higher production of sugar and refined sugar while energy segment is on track to perform as last year. The main threat for the Group remains its high level of indebtedness (Debt to Equity: 91.8% for FY 2012). We maintain our accumulate recommendation on the stock which is trading at a price to earnings multiple of 14.5x.</p>	<p>Δ Quarter ↑</p> <p>High</p> <p>Low</p> <p>VWAP</p> <p>P/E</p> <p>P/NAV</p> <p>DY (est.)</p>	<p>17.3%</p> <p>73.50</p> <p>88.25</p> <p>79.43</p> <p>14.5</p> <p>0.8</p> <p>3.2%</p>

Rogers and Co Ltd (Hold)	Price (Rs)	181.50
<p>Higher performance of hospitality cluster boosted Rogers profits. The Group's turnover fell by 14.1% to Rs 1.6bn mainly due to lower contribution of the financial services cluster after the split with CFSL. However, Operating profit grew by 11.4% to Rs 74.4m causing operating margins to expand from 3.7% to 4.7%. Finance costs fell by 44.8% to Rs 27.2m while share of results of associates improved by 1669.0% to Rs 74.3m. Not taking into consideration exceptional items and fair value gains on investment properties, net profit grew by 459.9% to Rs 121.5m. The improvement in profit can be attributed to the performance of the hospitality sector which reported profits of Rs 104.0m compared to losses of Rs 5.0m for the corresponding quarter last year.</p> <p>High dependence on the tourism industry. Rogers is an asset rich company with interest in different activities such as Aviation, Financial Services, Hospitality, Logistics, Property, Real Estate and Agribusiness amongst others. However, we believe the Group is highly dependent on the tourism industry which is going through a rough period. We thus have a hold recommendation on the stock despite its significant discount to NAV (42.2%).</p>	<p>Δ Quarter ↓ -0.8%</p> <p>High 192.75</p> <p>Low 169.50</p> <p>VWAP 181.24</p> <p>P/E 5.9</p> <p>P/NAV 0.6</p> <p>DY 3.3%</p>	

Cim Financial Services Ltd (Buy)	Price (Rs)	6.36
<p>Higher performance of Finance cluster boosted CFSL profits. The Group's turnover rose by 0.7% to Rs 681.6m with Cim Finance being the highest contributor (79.7%). Operating profit grew by 9.2% to Rs 169.2m causing operating margins to expand from 22.9% to 24.8%. Finance costs fell by 5.2% to Rs 67.9m. Net profit improved by 319.5% to Rs 83.9m mainly due to exceptional items distorting the 2012 profit for the corresponding quarter. Profit before exceptional items rose by 24.8% on the back of improved performance of Finance (+24.3%) and Global Management cluster (+16.1%).</p> <p>Leading provider of non-bank financial services in Mauritius. CFSL is one of the largest diversified financial services groups with 3 main business lines categorized in Finance, Global Management and Property & Investment. Its main driver of revenue and profit is its Cim Finance cluster which is the leading provider of non-bank financial services in Mauritius. The Group attributed its improved 6-month performance to the sustained growth of Cim Finance, improved efficiency of the trading businesses (JM Goupille & Galaxy shops), improved yield management and strong customer retention of Cim Global Management. We have a buy recommendation for CFSL which is trading at a price to earnings multiple of 9.6x.</p>	<p>Δ Quarter ↑ 7.8%</p> <p>High 6.38</p> <p>Low 5.76</p> <p>VWAP 6.15</p> <p>P/E 9.6</p> <p>P/NAV 2.1</p> <p>DY (est.) 3.1%</p>	

Note:

Comments are based on quarter results only unless stated otherwise

Price were captured on the 5th July 2013 and used for calculation of ratios

High and low represents highest price and lowest price reached during Q2 of calendar year 2013

Trading Twelve Month EPS were used to calculate P/E ratio

P/NAV was calculated using NAV figures as per latest results

VWAP represent the Volume Weighted Average Price during the quarter

DY Stands for Dividend Yield and estimates were used for Companies which did not announced dividends yet

Official Market Stocks	Price(Rs.) 28.06.2013	Price (Rs.) 29.03.2013	Δ Quarter	Quarter High	Quarter Low	VWAP (Rs.)	Volume Traded	Value Traded (Rs)	Market Cap.(Rs m.) 28.06.2013
Banks, Insurance & Other Finance									
BRAMER BANKING	7.28	7.10	2.5%	7.80	6.74	7.14	1,122.63	8,021.14	6,561.43
CFS	6.36	5.90	7.8%	6.38	5.76	6.15	7,418.41	45,644.35	4,328.12
MCB	186.00	191.25	-2.7%	196.25	185.00	191.44	3,363.34	643,890.65	46,569.86
MEI	100.00	95.00	5.3%	100.00	90.00	95.16	153.41	14,597.95	800.00
MUA	124.50	132.00	-5.7%	128.00	120.00	123.12	280.69	34,558.80	2,494.98
SBM	1.03	1.04	-1.0%	1.05	1.01	1.03	476,662.00	492,780.65	31,285.24
SWAN	315.00	335.00	-6.0%	338.00	315.00	334.50	19.05	6,372.90	2,606.87
Commerce									
CMPL	13.50	13.50	0.0%	13.50	13.50	13.50	2.96	39.93	29.61
HAREL MALLAC	115.00	120.00	-4.2%	125.00	115.00	115.09	131.87	15,176.07	1,294.83
INNODIS	48.50	47.80	1.5%	49.90	47.00	48.11	221.81	10,671.30	1,781.42
IBL	89.00	83.50	6.6%	92.00	83.50	88.11	161.50	14,229.40	6,358.01
VIVO ENERGY	158.00	180.00	-12.2%	178.00	158.00	167.04	115.17	19,237.72	4,632.92
Industry									
GAMMA CIVIC	28.60	28.90	-1.0%	29.00	27.90	28.70	407.14	11,683.21	3,810.95
GO LIFE INTERNATIONAL (USD)	0.03	0.04	-25.0%	0.04	0.03	1.00	858.20	859.71	89.63
PBL	202.50	205.00	-1.2%	216.00	200.00	204.28	47.66	9,736.38	3,330.52
MCFI	26.50	26.50	0.0%	28.00	26.00	26.91	61.52	1,655.52	583.17
MOROIL	28.50	28.25	0.9%	29.50	28.35	28.66	169.22	4,850.31	948.49
MSM	7.80	8.00	-2.5%	8.00	7.00	7.30	23.69	172.84	365.65
PIM	82.00	80.00	2.5%	84.00	78.00	79.03	161.92	12,796.32	164.00
UBP	98.00	99.00	-1.0%	105.00	95.00	104.42	1,359.49	141,954.98	2,597.98
Investments									
ALTEO	35.60	36.50	-2.5%	38.10	35.50	36.81	4,022.00	148,043.10	11,338.32
BMH	199.75	193.00	3.5%	199.75	193.00	195.25	0.31	59.94	852.29
CAUDAN	1.05	1.17	-10.3%	1.17	1.05	1.09	3,923.34	4,278.19	860.50
FINCORP	18.00	17.20	4.7%	18.00	17.10	17.73	314.67	5,577.56	1,860.40
ENL COMMERCIAL	23.50	21.60	8.8%	24.00	21.50	22.21	101.13	2,246.11	685.55
MDIT	5.40	5.10	5.9%	5.60	5.04	5.32	4,747.67	25,276.92	2,286.29
NIT	22.35	23.20	-3.7%	24.80	22.80	23.28	76.04	1,770.32	306.25
PAD	83.00	71.25	16.5%	85.00	71.75	79.42	246.40	19,567.97	3,228.27
POLICY	6.50	5.70	14.0%	6.60	5.62	6.10	4,420.88	26,965.72	1,475.41
ROCKCASTLE (USD)	1.35	1.30	3.8%	1.40	1.35	41.50	2,140.80	88,849.00	-
ROGERS	181.50	183.00	-0.8%	192.75	169.50	181.24	146.03	26,466.32	4,574.62
TERRA	41.50	42.30	-1.9%	43.00	40.00	41.40	1,536.12	63,593.91	9,443.14
UNITED DOCKS	68.00	67.00	1.5%	68.00	67.00	67.65	28.45	1,924.81	718.08
Leisure & Hotels									
ASL	96.00	92.00	4.3%	105.00	90.00	97.57	35.30	3,444.02	339.36
NMH	70.25	74.00	-5.1%	78.00	70.25	71.87	2,386.64	171,536.32	11,340.00
LUX ISLAND RESORTS	22.00	18.00	22.2%	24.25	17.50	21.43	2,978.19	63,831.37	2,508.76
SUN RESORTS	29.10	28.50	2.1%	31.00	27.60	28.36	463.07	13,134.42	3,299.87
Property Development									
LE MERITT HOLDINGS	10.00	10.85	-7.8%	10.90	10.00	10.54	68.60	723.09	758.74
Sugar									
OMNICANE	88.00	75.00	17.3%	88.25	73.50	79.43	128.37	10,196.71	5,897.09
ENL LAND	46.00	47.00	-2.1%	48.75	42.60	47.82	619.99	29,648.28	10,603.06
ENL LAND (P)	46.70	42.60	9.6%	43.90	43.90	44.06	4.48	197.30	-
Transport									
AIR MAURITIUS	13.95	13.80	1.1%	14.40	13.00	13.99	1,001.44	14,009.16	1,427.15
Foreign									
DALE CAPITAL GROUP LIMITED	3.76	5.80	-35.2%	5.76	3.70	4.17	48.20	200.80	96.92
Funds/ GBL Companies									
SANLAM AFRICA CORE REAL ESTATE FU	5.10	-	-	6.00	5.00	155.14	45.20	7,012.13	-
Debt									
LUX ISLAND - CONVERTIBLE BOND	11.08	11.00	0.7%	11.10	10.90	11.02	104.96	1,157.12	-
OMNICANE - NOTES	1,000,000.00	1,000,000.00	-	-	-	-	-	-	-
OMNICANE (SECOND ISSUE) - NOTES	100,522.13	100,522.13	-	-	-	-	-	-	-
Total							522,329.94	2,218,640.72	194,533.75

DEM Market Stocks	Price 28.06.2013	Price 29.03.2013	Δ Quarter	Quarter High	Quarter Low	VWAP (Rs)	Volume Traded ('000)	Value Traded ('000)	Market Cap. (Rsm) 28.06.2013
Banks & Insurance									
ANGLO MAURITIUS ASSURANCE	610.00	605.00	0.8%	610.00	605.00	609.05	7.47	4,549.61	1,605.65
Commerce									
ABC MOTORS	140.00	145.00	-3.4%	140.00	140.00	142.56	0.13	18.11	864.60
ASSOCIATED COMMERCIAL	157.00	149.00	5.4%	157.00	149.00	149.47	1.71	256.19	179.45
CHEMCO	21.00	20.00	5.0%	21.20	20.00	20.43	7.74	158.04	130.38
COMPAGNIE IMMOBLIERE	442.00	442.00	0.0%	442.00	442.00		0.18	72.47	117.75
I.C.T									
Bharat Telecom	52.50	57.00	-7.9%	58.50	45.60	59.98	327.75	19,657.76	931.46
Industry									
BYCHEMEX	12.50	12.65	-1.2%	12.65	12.50	12.36	0.49	6.02	62.50
FORGES TARDIEU	170.00	170.00	0.0%	170.00	170.00	169.98	6.54	1,111.01	326.40
LES GAZ INDUSTRIELS	140.00	138.00	1.4%	140.00	135.00	139.30	5.98	833.43	365.59
LIVESTOCK FEED (O)	21.40	22.40	-4.5%	26.50	19.40	21.18	61.09	1,293.64	674.10
LIVESTOCK FEED (P)	26.50	22.15	19.6%	26.50	22.20	23.63	0.30	7.09	-
LES MOULINS DE LA CONCORDE (O)	170.00	178.75	-4.9%	180.00	166.00	172.15	6.26	1,078.16	918.00
LES MOULINS DE LA CONCORDE (P)	300.00	305.00	-1.6%	319.00	300.00		7.80	2,406.71	-
MAURITIUS COSMETICS	49.00	49.00	0.0%	49.00	49.00	49.00	34.79	1,704.68	220.50
MARGARINE INDUSTRIES	870.00	870.00	0.0%	870.00	870.00	871.03	2.79	2,432.79	261.21
MAURITIUS SECONDARY INDUSTRIES	29.20	29.00	0.7%	29.20	29.00	29.08	1.18	34.44	23.36
PAPER CONVERTING	43.30	43.30	0.0%	43.30	43.30	43.30	0.78	33.56	64.95
QUALITY BEVERAGES	8.40	9.40	-10.6%	9.40	8.40	8.55	5.47	46.79	59.73
SOAP & ALLIED INDUSTRIES	24.00	27.20	-11.8%	27.20	24.00	24.90	3.34	83.25	98.43
SODIA	0.22	0.50	-56.0%	0.62	0.22	0.32	3,257.49	1,034.10	46.20
VITAL WATER BOTTLING	49.00	50.00	-2.0%	50.00	48.00	48.17	2.21	106.64	107.61
Investment									
ALMA INVESTEMENT	99.00	95.00	4.2%	102.00	95.00	98.77	34.19	3,376.77	725.80
ASCENCIA	1,255.00	1,300.00	-3.5%	1,300.00	1,200.00	1,215.73	8.95	10,882.03	1,786.29
BRIL	2,500.00	2,700.00	-7.4%	2,500.00	2,500.00	2,497.12	1.08	2,706.88	1,375.00
CIEL INVESTMENT	3.00	2.75	9.1%	3.15	2.70	2.93	13,747.16	40,298.40	3,020.30
DEEP RIVER INVESTMENT	49.50	45.00	10.0%	50.00	44.00	49.54	29.44	1,458.25	4,072.19
ENL INVESTMENT	43.00	43.00	0.0%	44.50	41.00	42.83	143.95	6,165.91	3,710.43
ENL LTD (P)	30.35	23.33	30.1%	30.83	30.35	178.57	75.05	13,401.31	-
EUDCOS	12.00	12.70	-5.5%	13.00	12.00	12.57	1,138.61	14,308.97	1,457.44
FIDES	92.00	99.00	-7.1%	103.00	92.00	98.65	12.68	1,250.64	811.53
MEDINE SHARE HOLDING (O)	2,500.00	2,525.00	-1.0%	2,525.00	2,500.00	2,500.69	0.71	1,782.99	1,510.92
MEDINE SHARE HOLDING (P)	2,990.00	2,990.00	0.0%	2,990.00	2,990.00	2,990.00	0.00	2.99	-
PHOENIX INVESTMENT	123.00	124.00	-0.8%	133.75	123.00	124.75	8.80	1,098.08	699.30
RHT HOLDING	30.00	32.00	-6.3%	32.00	30.50	30.03	34.57	1,037.92	364.86
UNION FLACQ	6.86	7.50	-8.5%	7.50	6.20	6.86	680.08	4,663.45	896.34
UNITED INVESTMENTS	9.30	9.86	-5.7%	9.86	9.00	9.08	478.59	4,347.10	1,408.60
Leisure & Hotels									
CONSTANCE HOTELS SERVICES	24.00	21.00	14.3%	25.00	19.00	21.05	157.53	3,315.90	1,535.15
MORNING LIGHT	40.20	40.20	0.0%	40.20	40.20	40.20	0.00	0.04	1,847.66
SOUTHERN CROSS TOURIST COMPANY	6.70	6.86	-2.3%	6.86	6.64	6.71	26.95	180.86	841.82
TROPICAL PARADISE (O)	5.90	6.00	-1.7%	6.02	5.80	5.93	147.31	873.50	722.75
TROPICAL PARADISE (P)	176.00	200.00	-12.0%	205.00	176.00	199.33	18.71	3,728.43	-
Others									
COVIFRA	8.20	8.50	-3.5%	8.50	8.20	8.23	13.22	108.78	464.20
CIEL TEXTILE	22.50	24.00	-6.3%	25.20	21.70	24.11	1,355.43	32,684.81	2,290.67
HOTELEST	22.00	18.50	18.9%	22.60	19.00	19.40	59.66	1,157.29	717.68
MEDICAL & SURGICAL CENTRE	1.89	1.87	1.1%	1.89	1.50	1.22	162,503.20	198,267.64	1,077.19
MAURITIUS FREEPORT DEVELOPMENT	5.90	5.90	0.0%	5.90	5.90	5.87	1.39	8.17	885.00
SIT LAND HOLDINGS	19,110.00	23,650.00	-19.2%	24,990.00	19,100.00	21,378.68	0.04	812.39	-
Sugar									
CONSTANCE LA GALETTE	113.00	104.00	8.7%	113.00	104.00	110.05	2.27	249.59	542.40
MEDINE LTD (O)	66.00	61.00	8.2%	67.00	60.00	62.63	200.15	12,534.87	5,738.08
MEDINE LTD (P)	64.00	59.50	7.6%	65.00	59.50		4.56	280.70	-
UNION SUGAR ESTATE	52.00	48.80	6.6%	52.00	50.00	50.99	40.38	2,059.10	982.80
Transport									
UNITED BUS SERVICE	34.00	33.95	0.1%	34.00	34.00	34.00	3.85	130.92	168.96
Debentures									
United Investments Bonds	104.52	104.52	0.0%	-	-	-	-	-	-
Total							184,670	400,099	46,711

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