



# ENL Group

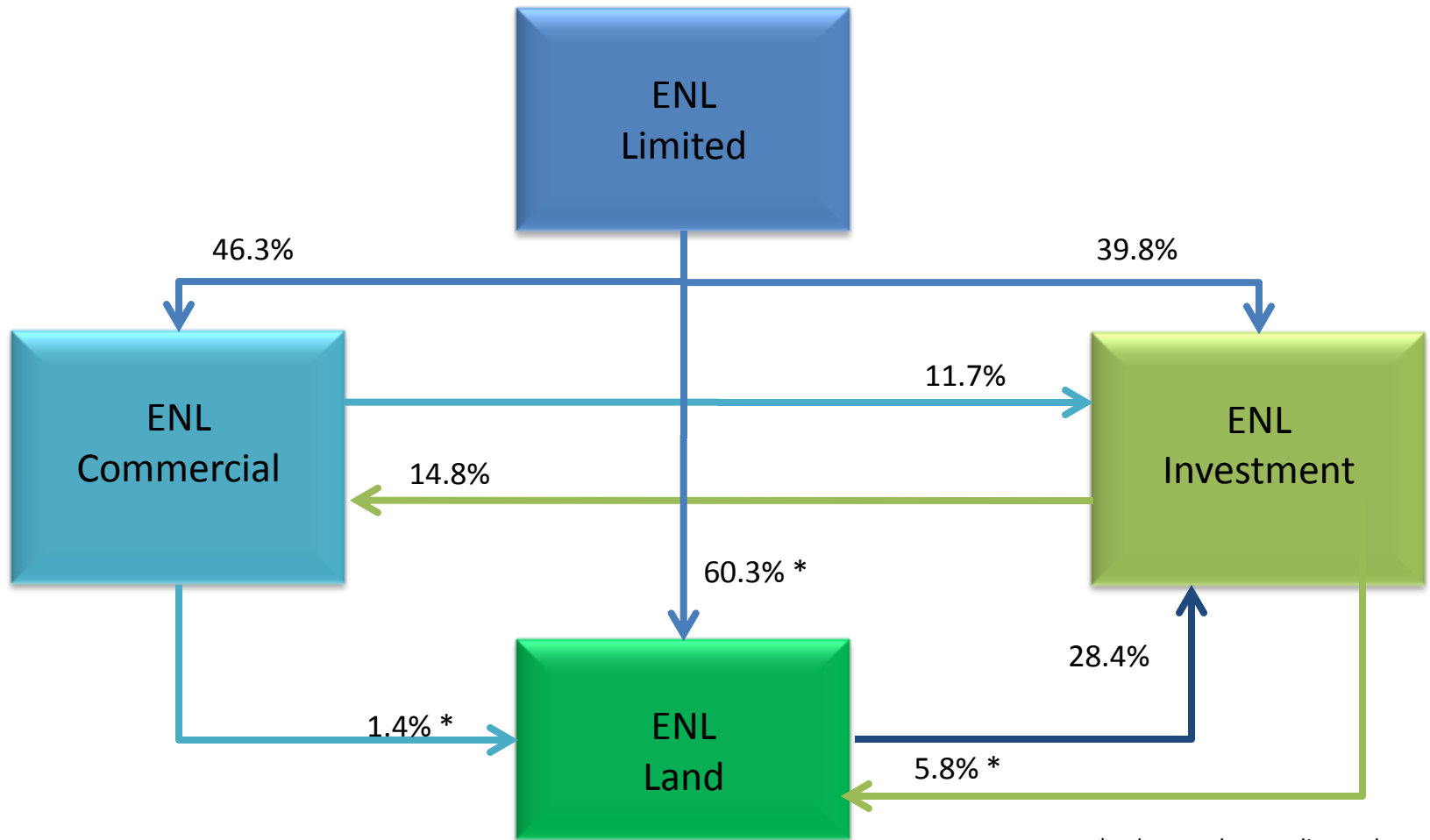
## Engaging a New Phase of Growth

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Meeting with Financial Analysts  
7 Sept 2011 – Labourdonnais Hotel, Port Louis.



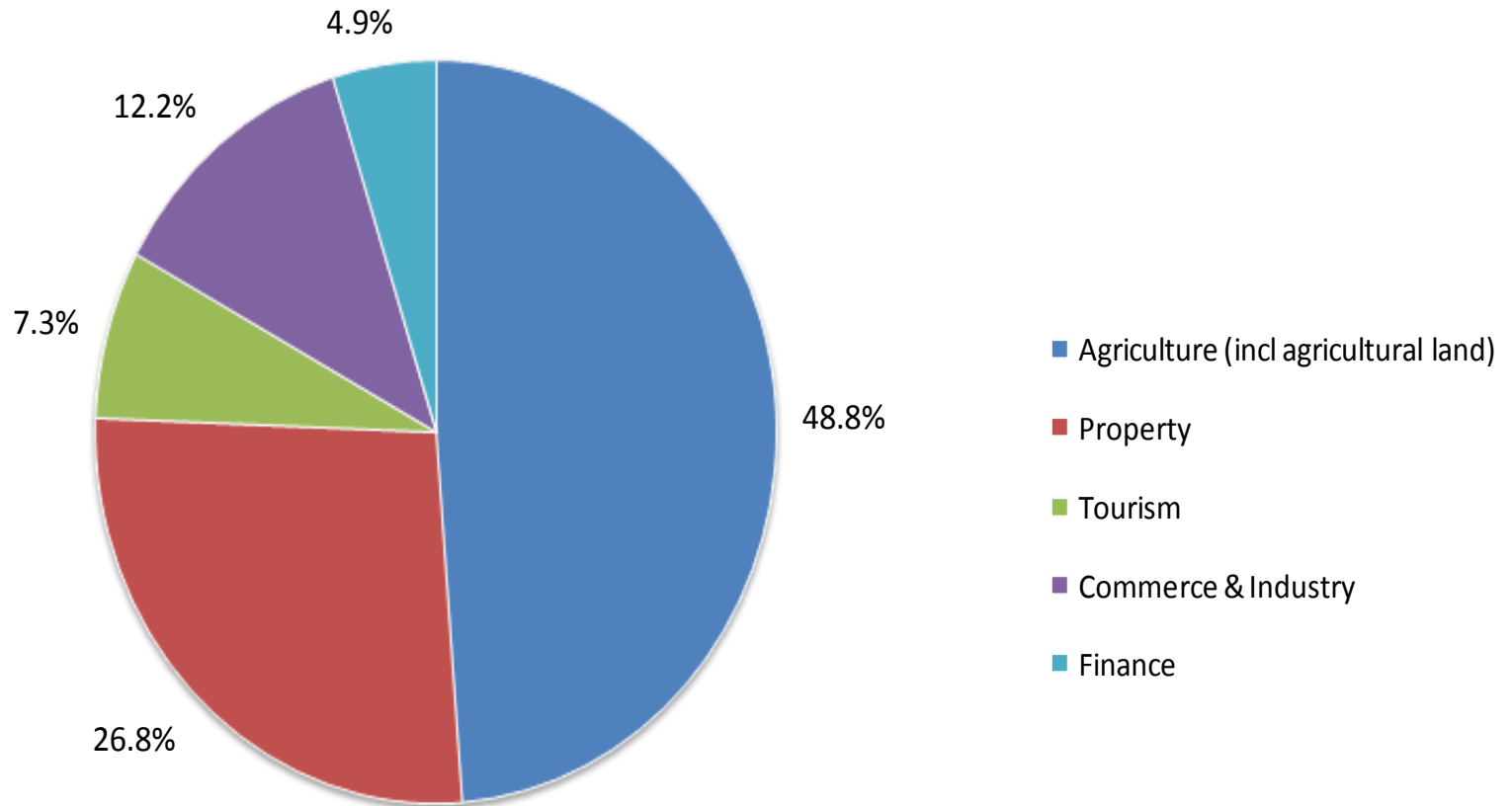
# ENL Group Structure



\* relates only to ordinary shares



# ENL Group Interests





## The past 3 years

- Merger of MDA and Savannah
- Rights issue
- New investments: Villas Valriche, La Balise Marina, Mall of Mauritius, MDA Properties, Cogir, ENL Property Services
- Disposal of investments: SUDS, BBHM, Marromeu



# The Transactions

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As a final part of its re-organisation program ENL Group is proposing to transfer non core assets held by ENL Commercial and ENL Investment to existing group entities and ENL Finance, a newly created company.

The transactions will be made at arm's length and for cash consideration, based on the 90-day Volume Weighted Average Price of the shares transferred.

*These transactions are subject to regulatory and shareholders approval*



# The Transactions

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**ENL Commercial** will be selling its non core assets as follows:

- ENL Land (O and P) to ENL Finance
- ENL Investment to ENL Finance
- New Mauritius Hotels to ENL Investment
- Tropical Paradise Co (O and P) to ENL Investment

The total consideration will be:                      **Rs 675.6m**



# The Transactions

**ENL Investment** will be selling its non core assets as follows:

- ENL Land (O and P) to ENL Finance
- ENL Commercial (O) to ENL Finance

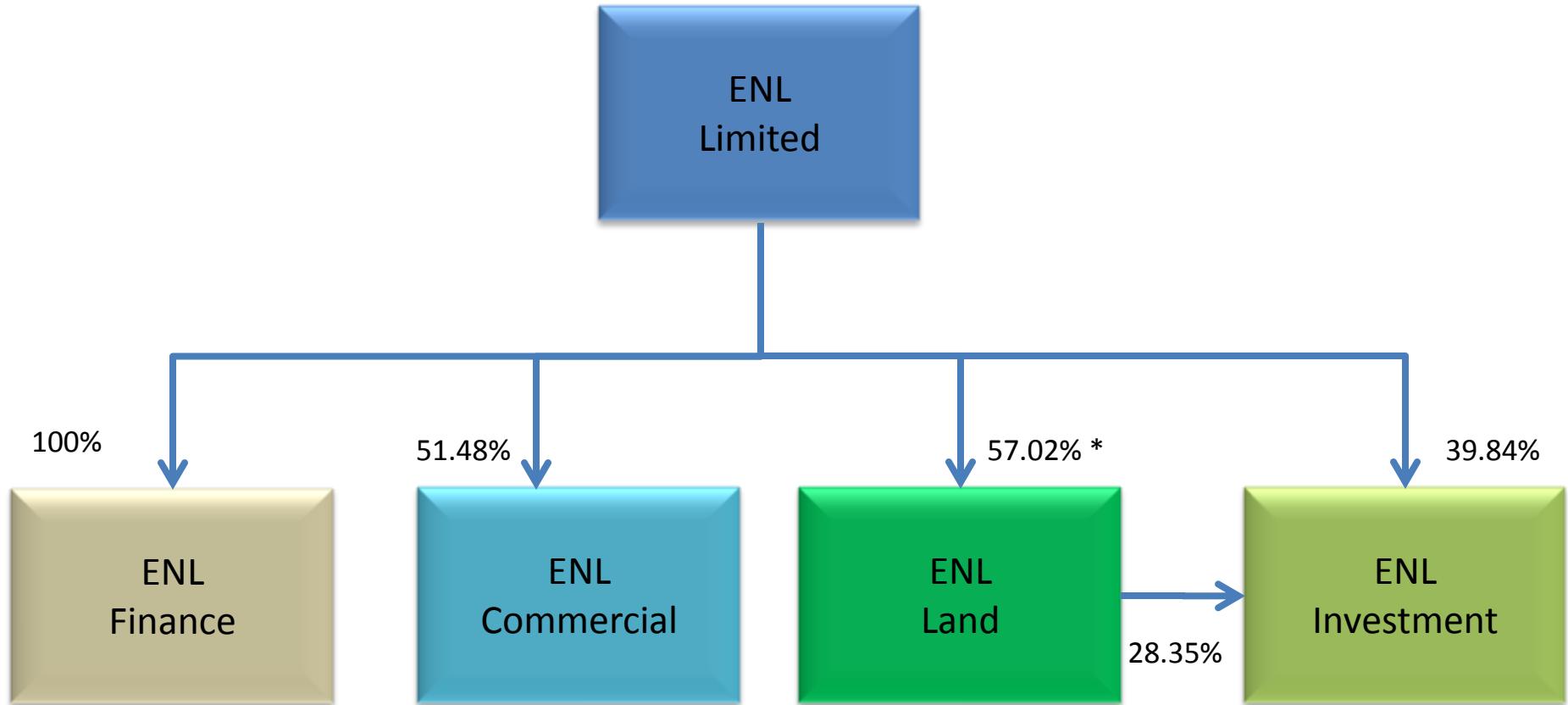
The total consideration will be:                      **Rs 706.9m**

In addition ENL Investment will acquire the shares sold by ENL Commercial in NMH and TPCL for a total consideration of Rs 133.1m

The net cash receivable is then:                      **Rs 573.8m**



# ENL Group – post transaction



\* relates only to ordinary shares



## Key Performance Indicators

|                                   |                 |
|-----------------------------------|-----------------|
| Total assets                      | Rs 21.9 billion |
| Shareholders interest             | Rs 10.3 billion |
| Net bank indebtedness             | Rs 2.1 billion  |
| Price to NAV                      | 0.44            |
| Dividend to NAV                   | 1.1 %           |
| Ave. growth in dividends (3 Yrs): | 100%            |

Based on JUN11 estimates



## Strategic Plan

The group's new 3-Year plan is based around the following drivers:

- Focus
- Cash Generation
- Business Development
- Culture
- People



## Post transaction

- ENL Finance is a fully owned subsidiary of ENL Limited
- ENL Finance will act as a long term warehouser and benefit from the subsidiaries' improved value and cash flow to meet its debt covenants, aligned with the interests of public shareholders.
- We target to increase significantly the dividend payouts of the group companies

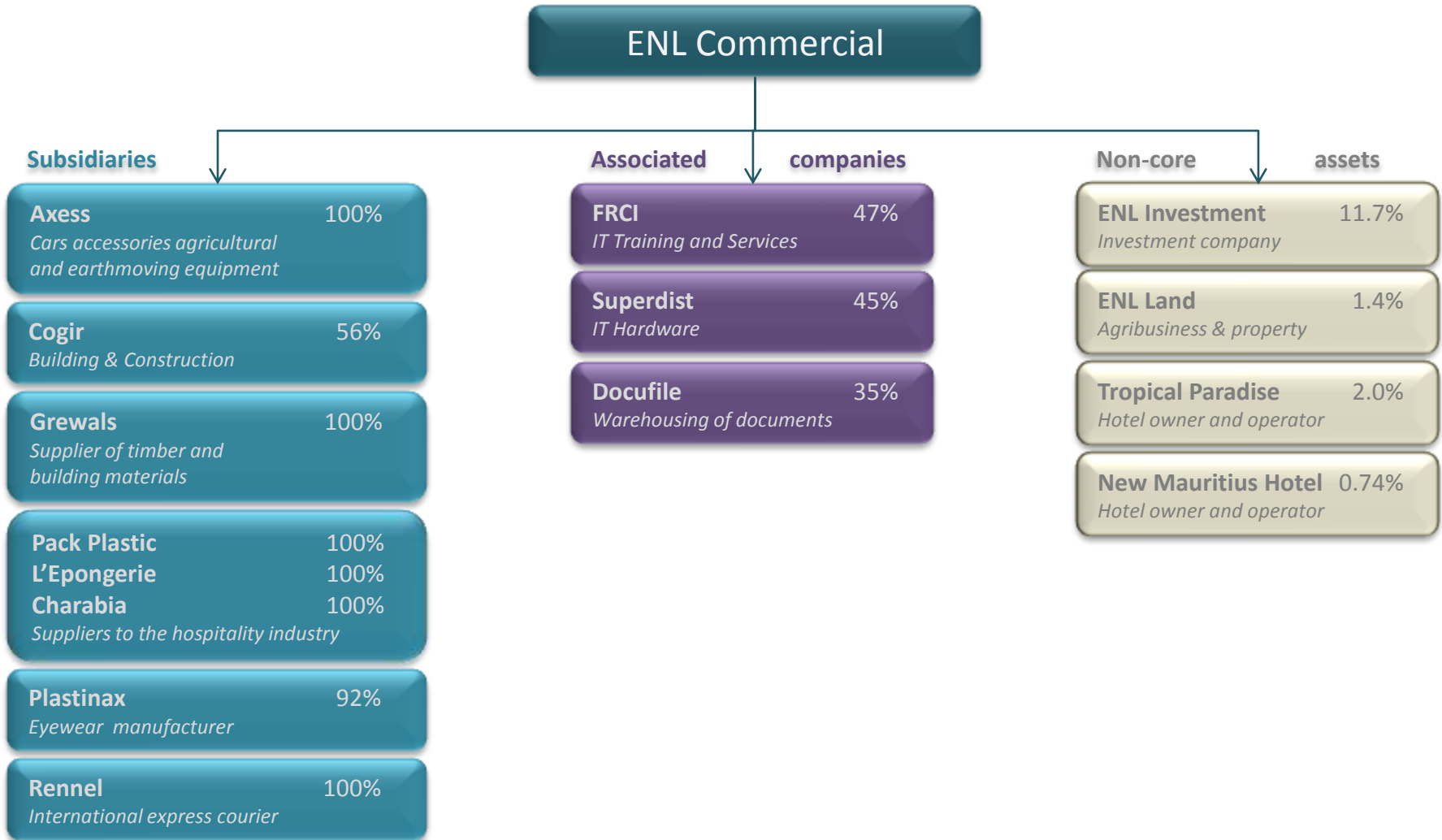


## Post transaction

- The transactions proposed complete the group's restructuring program and provide a springboard for the development of each businesses' operations.
- They will unlock value for all shareholders through focus, liquidity and growth.



# ENL Commercial





# ENL Commercial

*post transaction*

## ENL Commercial

### Subsidiaries

**Axess** 100%  
*Cars accessories agricultural and earthmoving equipment*

**Cogir** 56%  
*Building & Construction*

**Grewals** 100%  
*Supplier of timber and building materials*

**Pack Plastic** 100%  
**L'Epongerie** 100%  
**Charabia** 100%  
*Suppliers to the hospitality industry*

**Plastinax** 92%  
*Eyewear manufacturer*

**Rennel** 100%  
*International express courier*

### Associated

### companies

**FRCI** 47%  
*IT Training and Services*

**Superdist** 45%  
*IT Hardware*

**Docufile** 35%  
*Warehousing of documents*



## Key performance indicators

|   |       |
|---|-------|
| Latest price per share                    | 25.90 |
| 90-day VWAP                               | 23.70 |
| PE Ratio (exc. Exceptional items)         | 19.8  |
| Adjusted PE Ratio ( exc. Non core assets) | 3.6   |
| Price to NAV                              | 0.72  |
| Dividend yield                            | 3.5%  |
| 3Y- Growth in revenue                     | 199%  |
| 3Y- Growth in profit from operations      | 188%  |
| 3Y- Growth in dividends                   | 12%   |



## Post transaction

The sale of non-core investments to ENL Finance is expected to generate a liquidity of Rs 675.6 m which represents 64% of its NAV and 88% of its Market capitalization



## Post transaction

The cash generated will enable us to:

- Have a debt free balance sheet
- Strengthen the underlying subsidiaries and fund new ventures
- Increase focus on the core activities leading to improved financial performance
- Unlock shareholder value as low yielding investments are substituted for cash
- Have an immediate increase in earnings per share.



## Strategic Plan

- Preferred development will be in existing fields (Automotive, ICT, Construction, Supplies to Hospitality Industry, Logistic Services, Manufacturing)
- Remain slim
- Define clear strategies for each company
- Acquired companies recently and numerous projects in the pipeline within our core business

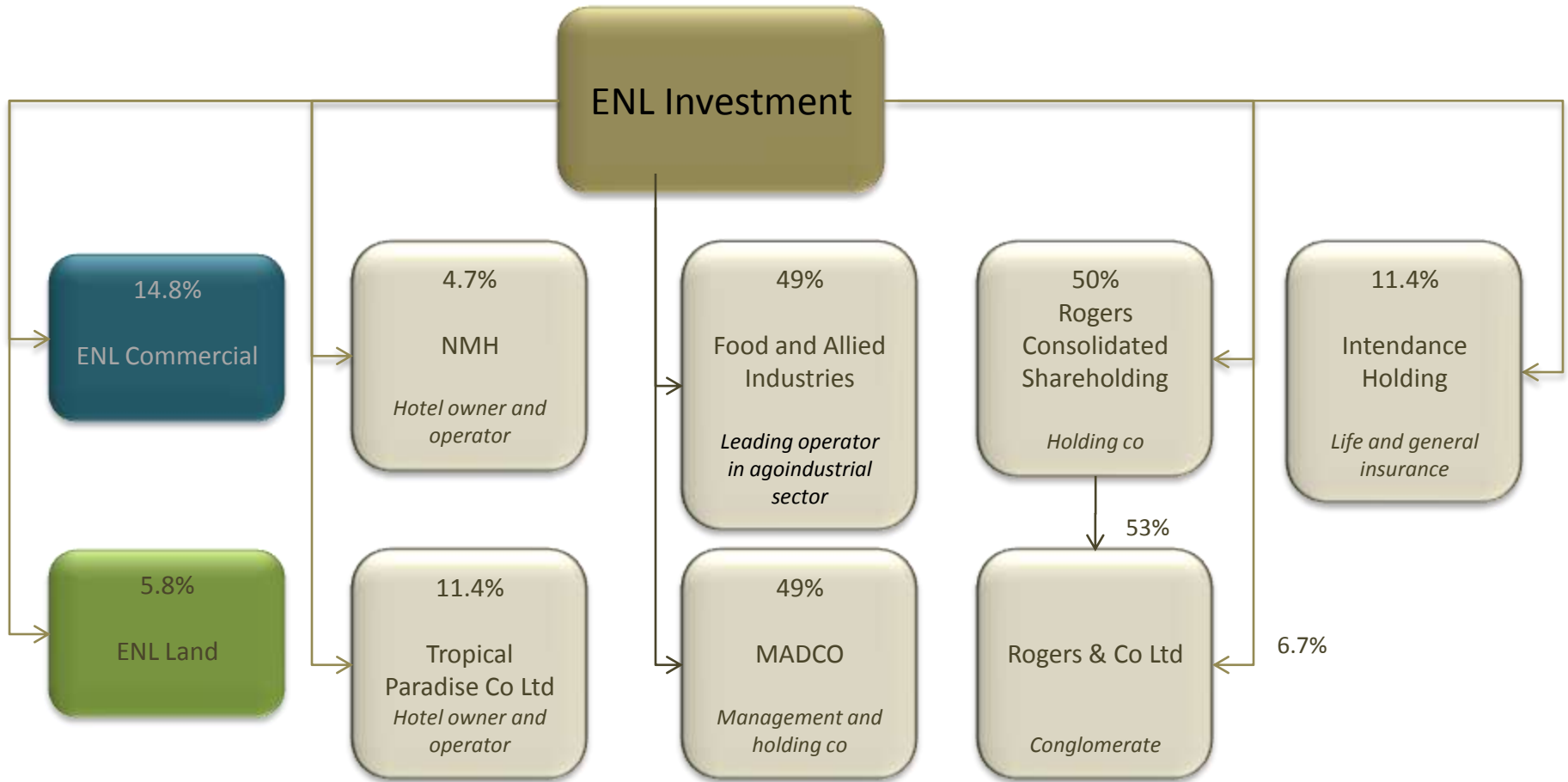


## Strategic Plan

ENL Commercial is targeting a sustained growth rate over the next 3 years with revenues increasing by some 12% annually, driving its profitability and dividend payments to much improved levels.



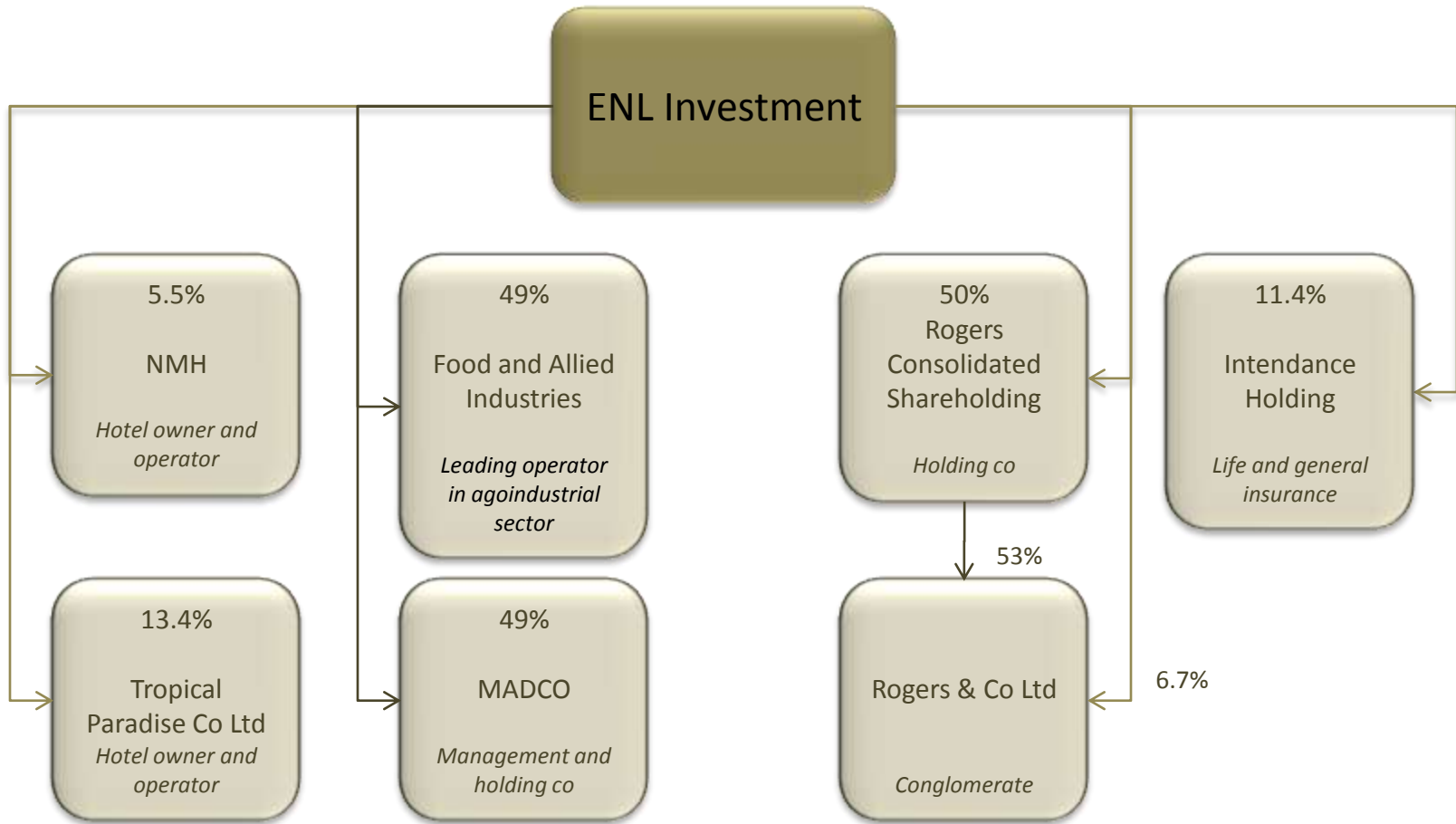
# ENL Investment





# ENL Investment

*post transaction*





## Key performance indicators

|                        |       |
|------------------------|-------|
| Latest price per share | 42.50 |
| 90-day VWAP            | 39.60 |
| Price to NAV           | 0.68  |
| Dividend yield         | 2.35% |



## Post transaction

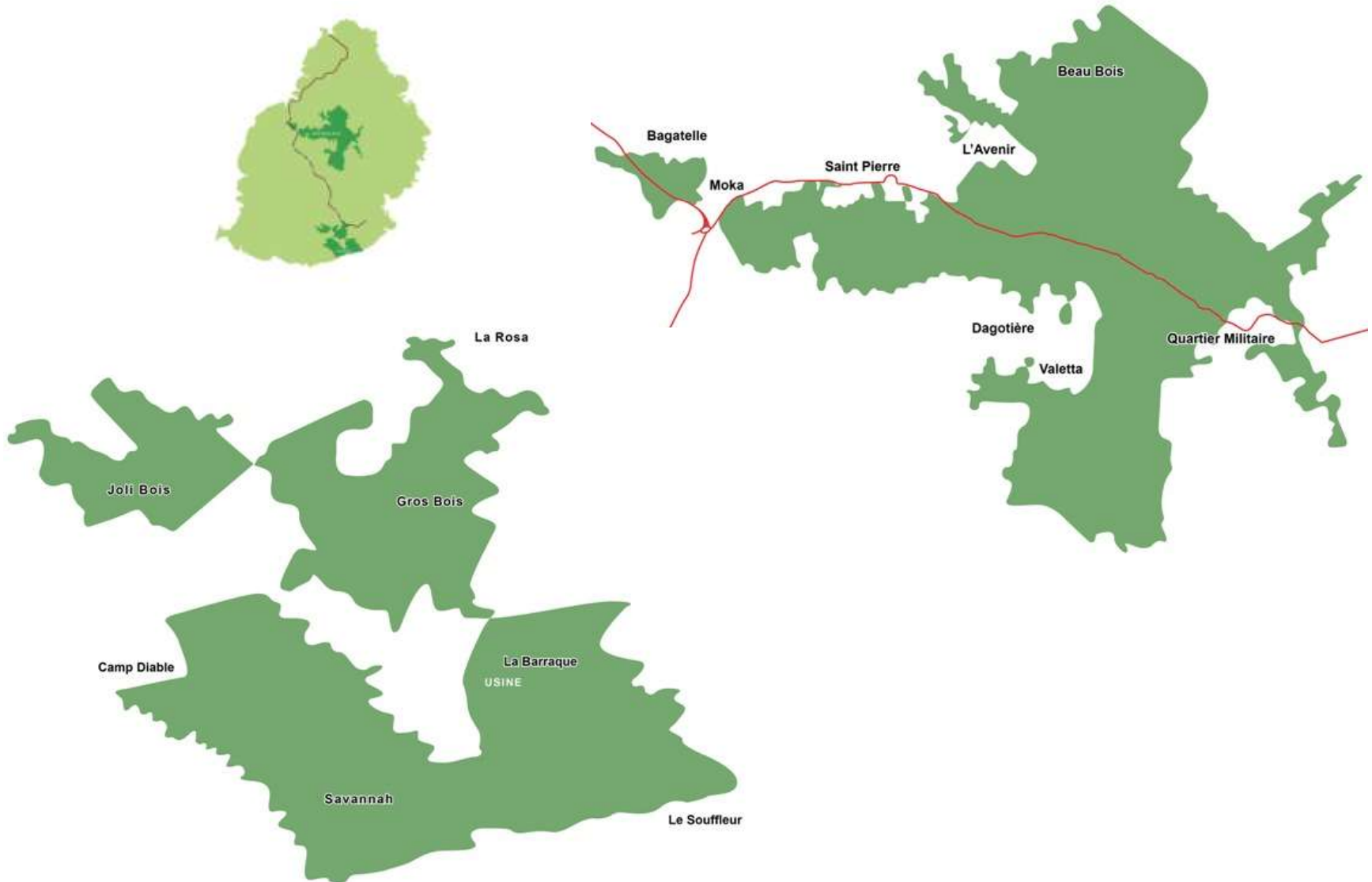
The transaction will yield a cash flow of Rs 573 m to ENL Investment, which represents 10.6% of its latest NAV. The available liquidity will allow us to:

- Consolidate the mainstream investment portfolio
- Consider venture capital type of investments
- Seek opportunities for a substantial acquisition



## Specificities

- ENL Investment is the only vehicle which provides investors access to the FAIL Group of Companies, one of the most successful commercial and industrial companies in Mauritius.
- Through its portfolio, ENL Investment is providing its shareholders access to a diversified basket of securities.





## Key performance indicators

|                             |       |
|-----------------------------|-------|
| Latest price per ord. share | 43.00 |
| 90-day VWAP                 | 43.80 |
| Price to NAV                | 0.71  |
| Dividend yield              | 2.2%  |



## Strategic Plan

- Two new subsidiaries to be set up: ENL Agri and ENL Property
- Stake in ENL Investment to be retained

## Strategic Plan - Agribusiness

- Renew with profitability in 2011-2012 as a result of higher sugar prices and streamlining of operations
- Increased mechanization with an objective to reach 3,600 Ha as opposed to 1,900 Ha today.

## **Strategic Plan – Agribusiness**

- Develop agri-related activities- Food crops, animal farming, landscaping and nurseries
- Develop core competencies in sales, marketing and distribution

## Strategic Plan - Property

- 600 acres earmarked for potential development
- The creation of the ENL property cluster has resulted in the setting up of a highly focused team
- Activities include both property development and management of IRS, residential, retail and commercial projects

## Strategic Plan – Property

- We are in for long term value creation.
- Significant positive recurrent cash flows will be generated in future years from portfolio of yielding assets.

## ENL Property Projects Progress Report

| Projects                     | Type of development       | Targeted completion date |           |           |
|------------------------------|---------------------------|--------------------------|-----------|-----------|
|                              |                           | 1-3 years                | 3-5 years | > 5 years |
| <b>Les Allées d'Helvétia</b> | Résidentiel Phase 1       | <b>completed</b>         |           |           |
|                              | Résidentiel Phase 2       | ●                        |           |           |
|                              | Résidentiel Phase 3       |                          | ●         |           |
|                              | Sport complex             | <b>completed</b>         |           |           |
|                              | Commercial Centre         | <b>completed</b>         |           |           |
| <b>Bagatelle</b>             | Commercial Centre         | <b>completed</b>         |           |           |
|                              | Hotel                     | ●                        |           |           |
|                              | Motor city                | ●                        |           |           |
|                              | Residential               | ●                        | ●         | ●         |
|                              | Office park               | ●                        | ●         | ●         |
| <b>Villas Valriche</b>       | IRS                       | <b>completed</b>         | ●         |           |
| <b>La Balise Marina</b>      | IRS                       | ●                        | ●         |           |
|                              | Commercial Centre         | ●                        |           |           |
| <b>Savinnia</b>              | IRS                       |                          |           | ●         |
| <b>Kendra St Pierre</b>      | Commercial Centre         | ●                        |           |           |
| <b>Vivea Business Park</b>   | Factory offices - Phase 1 | <b>completed</b>         |           |           |
|                              | Factory offices - Phase 2 | ●                        |           |           |
|                              | Offices -ENL House        | ●                        |           |           |
| <b>Vergers de Gros Bois</b>  | Residential - Phase 2     | <b>completed</b>         |           |           |
|                              | Residential - Phase 3     | ●                        |           |           |

## Strategic Plan – Property

- Partnership with Atterbury (SA) for asset management and property leasing
- Target yields:
  - IRS: 20% on development costs
  - Residential: 10% on development costs
  - Commercial & Office: 8.5 – 9% net rental yield



# Conclusion

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The liquidity added in ENL Commercial and ENL Investment will enable future development and a significant increase in shareholder value.

Through the proposed transactions and its new 3-Year plan the Group will enter into a new growth phase, while being well equipped to face the current economic conditions.