



logistics

## We connect Mauritius to other countries by air, sea and land

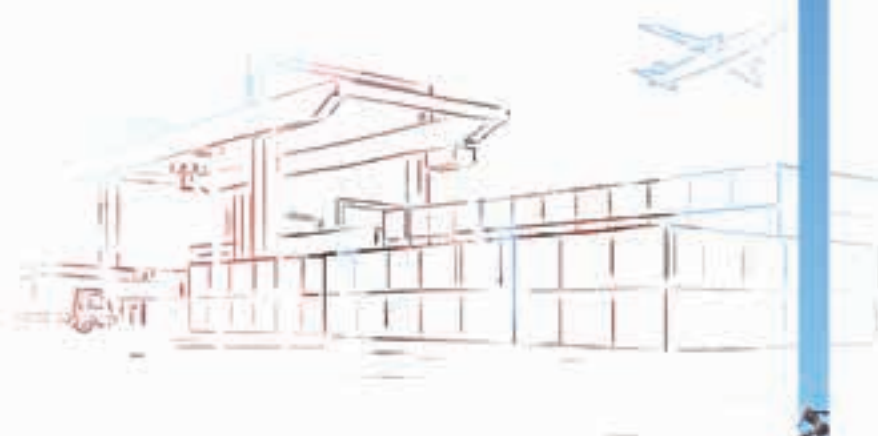
We operate an integrated logistics platform through Velogic, offering freight forwarding, customs clearing, domestic transport, warehousing, shipping, container handling, courier services and sugar packaging. This year, turnover grew by 12% to reach Rs 3.5bn whilst profit after tax progressed from Rs 83m to Rs 87m.

The segment performed slightly better than last year despite the difficult market conditions that have affected freight forwarding activities worldwide. Our operations in Reunion, Madagascar, India and Kenya were the main contributors to the good performance through customer retention and continuous growth in their activities.

Port services in Mauritius posted an increased profitability mainly due to an improved performance of the transport business as well as the discontinuation of certain loss-making activities. In Kenya, the transport activity performed better and a full year's profit was recognised in respect of the business we acquired during the course of last year.

The improved profitability of the freight forwarding activities is attributable to:

- better results and full year consolidation of the newly acquired Kenyan activities,
- a turnaround of the Mozambique operations following a restructuring exercise, and
- business growth in Madagascar, India and Reunion.



However, in Mauritius, results were affected by a decline in textile exports following reduced sourcing from some major buyers and the delocalisation of local manufacturers to countries with lower production costs.

Globally, the sluggish economic growth in the Eurozone had a negative impact on the recovery of the French operations whilst the uncertainties surrounding Brexit resulted in a significant depreciation of the GBP against MUR, impacting negatively the sugar packaging activities.

On the shipping side, the bulk chartering investment struggled with shrinking margins due to the continuous increase in charter costs, given the unpredictability in world trade.

### Outlook

The logistics segment is expected to perform better next year as growth is maintained mainly in Madagascar, India and Reunion.

**Rs 3.5 bn**  
turnover  
(2016: Rs 3.1 bn)

**Rs 87 m**  
profit after tax  
(2016: Rs 83 m)