



property

We build and manage homes, offices and shopping malls

We build and manage homes, offices, and shopping malls, leading the real estate market with an integrated offer. We are passionate about creating sustainable neighbourhoods that are enabling and open to all. We have built a reputable brand on the real estate market which comforts us in our ability to differentiate our offer in a market that is becoming more competitive.

Segment profit reached Rs 1.2bn in 2017, up from Rs 801m last year. The better results mainly come from the increase in fair value gains of our retail assets following the five year renewal of tenants' leases at Bagatelle, the renovation of Phoenix Mall and the revaluation of our ready-to-develop land assets in Moka.

Moka City. The Moka Smart City was officially launched in April 2017, spurring an increased demand for land, built up units and partnerships with ENL which has exceeded our expectations. Moka City ambitions to become an attractive city to live, work and play; a city that positions Mauritius as an international platform for businesses and investments.

The first phase of the smart city is being initially developed on some 464 arpents. We expect the development to be certified as a Smart City by November 2017; the Government has already granted us a Letter of Intent to this end. In the meantime, we have completed the administrative processes necessary to facilitate the creation of the Moka Smart City by amalgamating our different legal entities that have been driving the development of Moka.



The founding principles upon which Moka City is being built are: optimal use of resources, improvement of residents' quality of life, active engagement with existing communities and creation of real economic opportunities.

We plan to undertake significant infrastructure works to unlock the value of our land bank in Moka and execute our land sales and development program that will enable us to generate cash and attract business partners. We are seeking an international green accreditation to raise development standards in the city to be. We are also collaborating with Belle Verte, a local organisation, to set up a solid waste sorting, recycling and treatment facility for Moka.

	Rs 2.2 bn		Rs 1.2 bn
	turnover		profit after tax
	(2016: Rs 2.3 bn)		(2016: Rs 801 m)

We have created ENvolt for the production of electricity powered by solar energy. This will initially see the setting up of roof top photovoltaic farms on our shopping malls and offices.

Offices. Our existing 15,500m² portfolio is fully let out and has generated Rs 110m in terms of revenue for 2017 compared to Rs 94m in 2016. The office market is currently on a growth trend and we are taking this opportunity to increase our rental offer by building The Pod. Construction works for this new 4,800m² building at Vivéa Business Park have started and we expect it to be on the rental market as from August 2018. At Telfair, Moka City's central business district, the construction of a 4,700m² building for PwC's headquarters in Mauritius has started and is expected to be completed by August 2018. We are presently seeking a green building accreditation for both the PwC headquarters and ENL House.

We expect to maintain our development pace in the coming years on the back of strong demand, with the construction of new buildings at Telfair, Bagatelle and Vivéa business parks. This coming year, we intend to set up an office fund which will own all our office buildings. This should enable us to better focus our approach and to strengthen our capacity to support future developments.

Local residential. The market continues to be driven by a strong demand for plots of land and we are witnessing promising market conditions for built-up units in the Moka region. This year, we reached the following milestones:

- The second phase of *Courchamps*, a residential land development comprising 40 plots, was sold out shortly after being proposed to the market. We are launching its next phases shortly.

- *Les Promenades d'Helvétia*, our first residential project of 70 apartments and duplexes to be built under the Smart City Scheme was launched in April 2017 and almost all the units have been pre-sold. The next phases will be launched shortly, and will also include residential land plots.

We are busy working on a master plan to launch new phases in Les Vergers de Gros Bois.

Residential resort. Mauritius, as a destination for property investments, is affected by global competition. Locally, we are facing competition from the wider range of products now available to foreigners. As a response to the challenging market conditions, we have consolidated our marketing team and together with the Sotheby's worldwide network, we are launching numerous initiatives to deliver our ambitious development plans.

We are reviewing our real estate concept for Bel Ombre with a view to improve the estate's offering. We are also focusing on the design, development and value engineering of our existing products. We have stepped out of the Mauritian territory and are currently managing the residential development of Beachcomber at Royal Palm Marrakech.

We have decided to exit from the management and development of Saint Antoine Private Residence in order to focus our energy on the development of existing projects. Our partner, Red4, is finalising a partnership with another local operator to develop and manage the project. We will nonetheless remain a key sales and marketing partner on the project through Mauritius Sotheby's International Realty.

Retail. Our property portfolio includes a 68% equity investment in Ascencia, the largest property fund listed on the Stock Exchange of Mauritius. The company delivered a strong financial and operational performance with average rentals going up by 8% and the percentage of unoccupied rental area going down to an all-time low of 1.75%. The renovated Phoenix Mall met with great success following its reopening in November 2016. During 2017, Ascencia sold some of its non-core assets in order to reinvest the funds in new projects. The debt of Ascencia was restructured during the year to free up cash to fund future projects and improve the company's dividend pay-out.

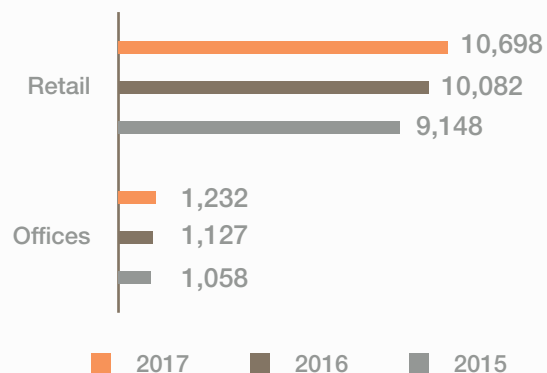
The opening of So'flo Boutique Mall in November 2017 in Floreal will add 7,400m² of rental space to the Ascencia portfolio. The upcoming year will see us investing into a 4,000m² extension to Bagatelle Mall and the construction of a new 10,000m² mall in the south of the island.

Outlook

Our ambition is to maintain our leadership in the real estate market in Mauritius in an increasingly competitive environment by continuing to upgrade our offers and propose innovative products. We have revisited our organisational structure accordingly, ensuring that we have clearly defined and specialised teams. Growth will be mainly driven by Ascencia, Moka Smart City and Bel Ombre.



Assets under management (Rs m)



Income from assets under management (Rs m)

