

The Stock Exchange of Mauritius in the midst of the international financial crisis: Impact & Perspectives

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Presentation Outline

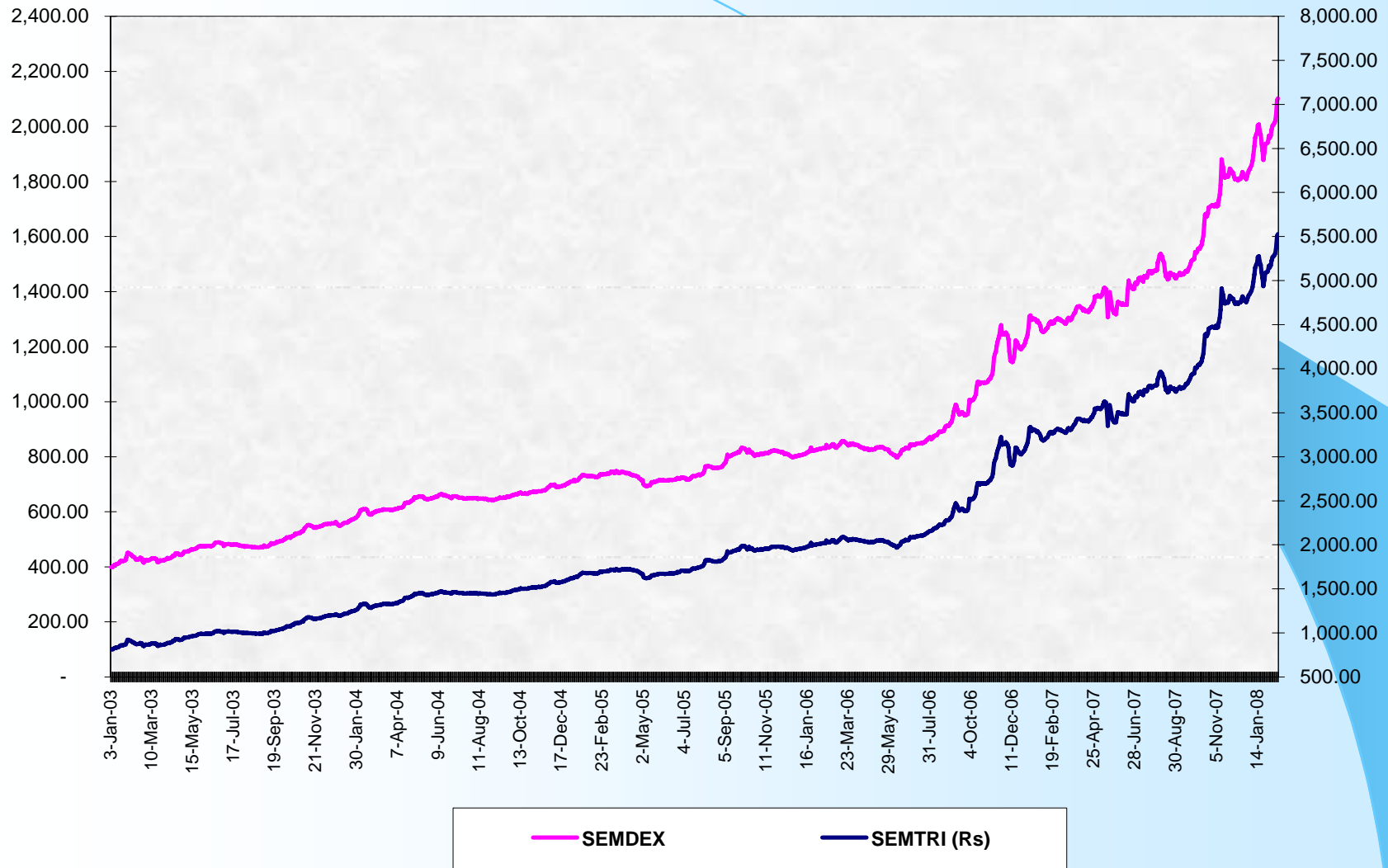
- The SEM's performance in the pre-crisis period: 2003 – 2008
- Performance of the top ten companies in terms of total return: 2003-2008
- Market Valuation ratios: 2003-2008
- Market's evolution since February 2008 – to-date
- Performance of SEM-7 companies: Feb 2008 – to-date
- Comparative market valuation ratios
- Key economic concerns for Mauritius in the midst of the crisis
- How are the authorities trying to contain the negative impact of the world-wide crisis?
- What is the market outlook going forward?

The SEM's Performance in the pre-crisis period: 2003-2008

	2003	2004	2005	2006	2007	2008*	Change (%)
SEM Market Indices							
SEMDEX	399.18	549.88	710.49	804.44	1,211.54	2,101.34	426.41
SEMTRI (in local currency terms, Rs)	812.39	1,195.51	1,619.28	1,953.21	3,078.72	5,526.96	580.33
SEMTRI (in US\$ terms)	433.39	707.07	893.47	997.25	1,444.44	2,992.28	590.44

Note: as at 18th February 2008.

SEMDEX & SEMTRI (Rs) 1 JAN 03 - 18 FEB 08



Performance of the top ten companies (2003-2008)

Top 10 Companies	Date of Listing on the SEM	TOTAL RETURN INDEX IN US		% CHANGE
		1-Jan-03	18-Feb-08	
Mon Désert Alma Ltd	17-01-90	384.47	6,055.03	1474.92
Fincorp Investment Ltd	31-08-94	81.61	1,133.77	1289.32
The Mauritius Commercial Bank Ltd	05-07-89	622.90	8,136.43	1206.21
Promotion and Development Ltd	17-Jan-96	36.55	412.41	1028.41
State Bank of Mauritius Ltd	30-06-95	128.00	1,394.02	989.06
Harel Freres Ltd	20-02-91	112.84	1,141.50	911.58
P. O. L. I. C. Y Ltd	08-12-92	129.05	1,214.05	840.76
General Investment & Development Co. Ltd	4-Jul-90	150.33	1,403.96	833.90
Rogers & Co. Ltd	27-Jun-90	539.33	4,003.16	642.25
The Mount Sugar Estates Ltd	27-02-91	62.78	463.50	638.29

Note: as at 18 Feb 2008

Market valuation ratios since February 2008

P/E Ratio and Dividend Yield (1989-2009), End Period

Official Market

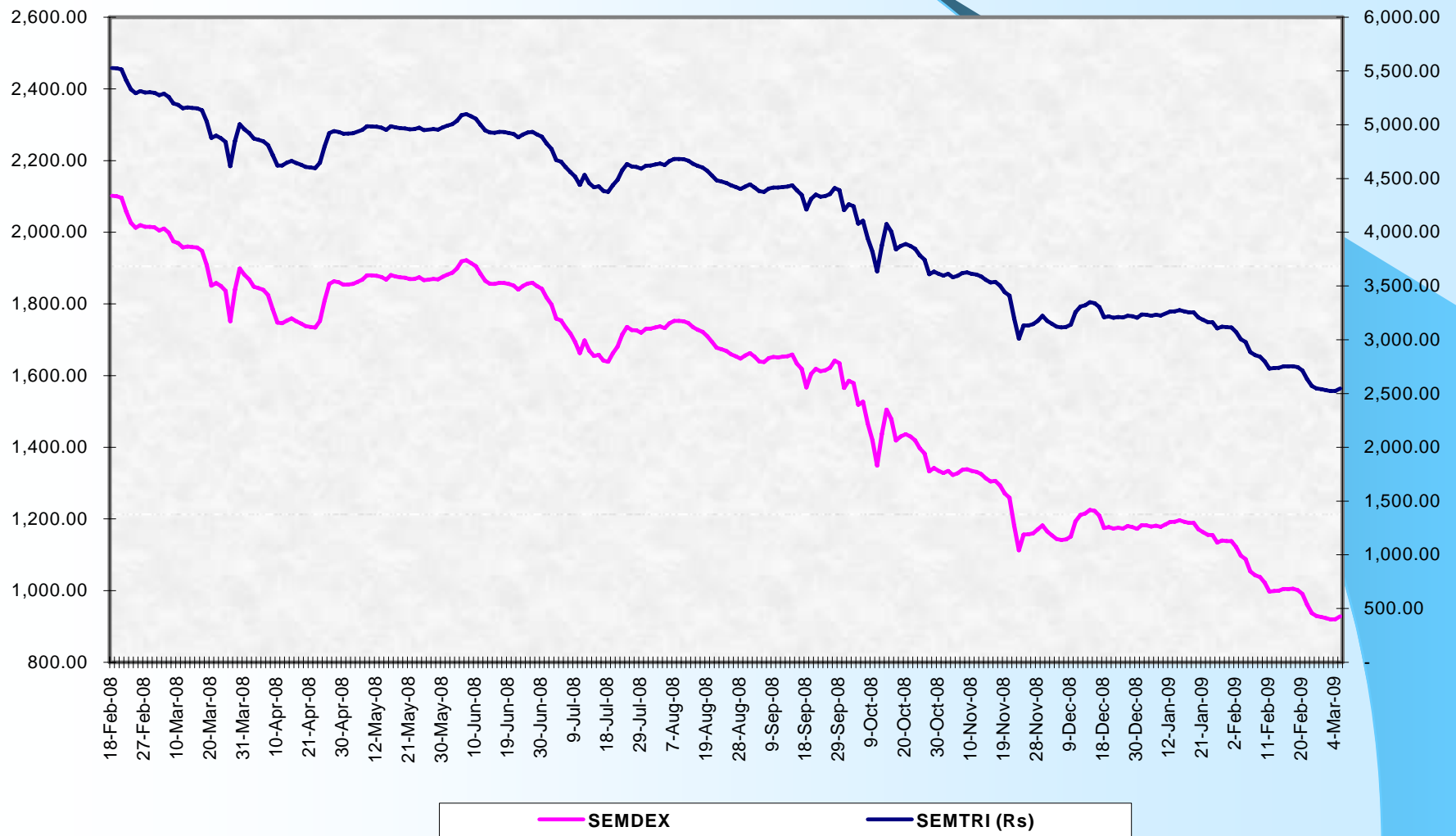
	2003	2004	2005	2006	2007	2008*
P/E Ratio	7.43	9.93	7.98	11.95	13.26	14.99
Dividend Yield -%	5.74	4.85	4.64	3.66	2.80	2.47

Note : * as at 18 February 2008.

Market's evolution since February 2008

SEM Market Indices	18-Feb-08	5-Mar-09	Change (%)
SEMDEX	2,101.34	928.73	(55.80)
SEMTRI (in local currency terms, Rs)	5,526.96	2,545.96	(53.94)
SEMTRI (in US\$ terms)	2,992.28	1,151.79	(61.51)

SEMDEX & SEMTRI (Rs) 18 FEB 08-05 MAR 09



Performance of SEM-7 Companies in terms of total return

Company	TOTAL RETURN INDEX			MARKET VALUATION RATIOS		
	18-Feb-08	05-Mar-09	% CHANGE	Price Earning Ratio*	Dividend Yield (%)*	Price/Book Value*
Mauritius Commercial Bank Ltd	15,028.59	6,930.54	(53.88)	5.49	5.32	1.31
New Mauritius Hotels Ltd	1,295.24	414.81	(67.97)	5.34	9.84	1.00
State Bank of Mauritius Ltd	2,301.39	881.51	(61.70)	4.64	6.71	1.05
Sun Resorts Ltd	1,674.46	448.80	(73.20)	2.77	12.12	1.04
Rogers Co. Ltd	7,422.46	3,078.54	(58.52)	2.73	7.88	0.52
Naiade Resorts Ltd	275.01	44.17	(83.94)	2.89	10.58	0.69
Ireland Blyth Ltd	484.82	247.71	(48.91)	5.06	3.75	0.69

Note: as at 5th March 2009.

Comparative valuation ratios (as at 2 March 09)

Stock Exchanges	Price Earnings Ratio (PER)	Dividend Yield (%)
Stock Exchange of Mauritius	4.82	6.41
JSE Securities Exchange	8.6	5.3
Namibian Stock Exchange	7.00	3.28
Buenos Aires Stock Exchange	7.1	12.0
London Stock Exchange	7.5	5.4
Euronext-Paris	7.3	6.2
Bombay Stock Exchange	12.6	1.9
New York Stock Exchange	11.3	3.1

Key economic concerns for Mauritius in the midst of the crisis

- Mauritius has managed to achieve an exceptional 5.2 % growth in 2008.
- In 2009, amidst the worldwide turmoil, growth is still expected to be positive in the 2-3% range.
- Financial system remains robust and resilient.
- Notwithstanding the positive growth expected this year, duration and depth of crisis elsewhere expected to weigh heavily on key economic sectors in second half of 2009 & 2010.
- Export-oriented sectors like textile and tourism are the most exposed.
- Need to keep current account situation within manageable levels.
- Unemployment level, currently at 7.8 % should be kept under control.

How are the authorities trying to sustain the negative effects of the world-wide crisis?

- Aggressive monetary easing in recent months, with the key repo rate slashed by 250 basis points within a 12 months-period
- Adoption by government of a strong Rs 10 billion stimulus package to shore up resilience and position Mauritius to ride the crest of world economic recovery when it happens.

How are the authorities trying to sustain the negative effects of the world-wide crisis?

- Focus of the stimulus package revolves around:
 - Fast-tracking and frontloading public infrastructure
 - New investments in public infrastructure
 - Accelerate private sector investment by adopting the necessary framework to accelerate decision- making process
 - Further improve business facilitation in Mauritius
 - Build human resource capacity
 - Providing support to vulnerable sectors
 - Focus efforts on the Tourism sector to help it weather the difficult period ahead

What is the market outlook going forward?

- Stocks trading at levels unseen since the creation of the Stock Exchange of Mauritius.
- Potential for a very strong rebound of the market is real, once there is more visibility regarding duration of crisis.
- Both government and private sector entities have been acting proactively to contain the effects of the crisis, which prepares the way for a rebound once the worst of the crisis is behind us.
- There is a lot of money sidelined and waiting to get into the market at the first signs that the world economy has turned the corner.

What is the market outlook going forward?

- Market has shown first signs of a bottoming out in recent trading sessions, although a further confirmation is needed.
- Investors, not focusing on short-term market gyrations, can look at the stocks on the SEM as medium/long-term potentially very attractive investments.
- Does the SEM, just as some other markets out there, represent once in a life-time invest opportunities? Time will tell.

The background is a light blue gradient. A thin, curved line starts from the top left and arcs towards the center. A darker blue wedge-shaped area is positioned on the right side, pointing towards the center.

THANK YOU