IBL

09

Annual Report

Contents

Financial Statements

Financial Summary

Statements of Comprehensive Income (Group)

		2009 Rs'000	2008 Rs'000	2007 Rs'000
Turnover		13,208,847	12,909,578	11,693,781
Profit from operations		950,185	610,855	663,010
Surplus arising on distribution of investment		867,328	-	-
Share of profits less losses of associates		134,617	321,411	391,086
Net finance costs		(453,477)	(533,400)	(503,851)
Profit before Tax		1,498,653	398,866	550,245
Income tax expense		(61,904)	(62,928)	(44,928)
Profit for the year		1,436,749	335,938	505,317
Attributable to:				
Owners of the parent		1,361,387	300,011	451,556
Non-controlling interests		75,362	35,927	53,761
		1,436,749	335,938	505,317
Earnings per share	Rs	19.06	4.20	6.32

Statement of Financial Position (Group)

	2009 Rs'000	2008 Rs'000	2007 Rs'000
ASSETS			
Non-current assets	6,833,410	7,772,686	7,589,650
Current assets	5,881,240	5,804,496	5,521,323
Total assets	12,714,650	13,577,182	13,110,973
EQUITY AND LIABILITIES			
Share capital	714,383	714,383	714,383
Share premium	192,097	192,097	192,097
Reserves	1,818,437	2,572,699	2,383,493
Equity attributable to owners of the parent	2,724,917	3,479,179	3,289,973
Non-controlling interests	465,365	446,770	459,229
Total Equity	3,190,282	3,925,949	3,749,202
Non-current liabilities	2,068,393	2,114,018	2,742,490
Current liabilities	6,903,612	7,055,583	6,205,529
Life assurance fund	552,363	481,632	413,752
Total equity and liabilities	12,714,650	13,577,182	13,110,973

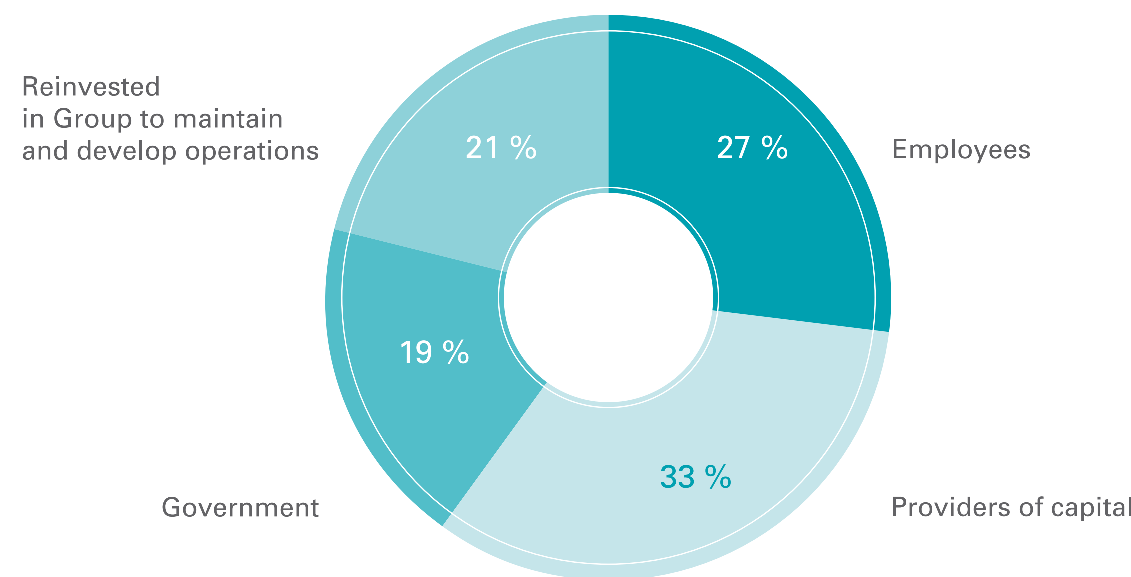
Financial Highlights

	2009	2008	2007
Turnover (Rs M)	13,209	12,910	11,694
Profit before Tax (Rs M)	1,499	399	550
Earnings per Share (Rs)	19.06	4.20	6.32
Dividends per Share (Rs)	1.00	1.20	1.65
Net Assets Employed (Rs M)	5,811	6,522	6,905

Group Statistics

	2009	2008	2007
Turnover (Rs M)	13,209	12,910	11,694
Turnover per Employee (Rs M)	2.22	2.22	2.19
Net Assets per Share (Rs)	38.14	48.70	46.05
Earnings Per Share (Rs)	19.06	4.20	6.32
Profit before Tax (Rs M)	1,499	399	550

Value Added Statement



Value Added Statement

	2009 Rs'000	%	2008 Rs'000	%
Turnover including Value Added Tax	13,849,953		13,429,686	
Surplus arising on distribution of investment	867,328			
Other Income	634,612		905,024	
	15,351,893		14,334,710	
Paid to suppliers for materials and services	11,159,539		11,498,952	
TOTAL WEALTH CREATED	**4,192,354**	**100**	**2,835,758**	**100**
Distributed as follows:				
EMPLOYEES				
Wages, salaries, bonuses, commissions, pensions & other benefits	**1,124,011**	**27**	**954,143**	**34**
PROVIDERS OF CAPITAL				
Dividends to Ordinary Shareholders excluding cost of distribution in specie	938,765	22	85,726	3
Banks & other financial institutions	466,983	11	548,969	19
	1,405,748	**33**	**634,695**	**22**
GOVERNMENT				
Income Tax	61,904	2	62,928	2
Value Added Tax	641,106	15	520,108	18
Duties, levies & licences	77,032	2	101,862	4
	780,042	**19**	**684,898**	**24**
REINVESTED IN GROUP TO MAINTAIN AND DEVELOP OPERATIONS				
Depreciation & amortisation	384,569	9	311,810	11
Retained Profit	497,983	12	250,212	9
	882,552	**21**	**562,022**	**20**
TOTAL WEALTH DISTRIBUTED AND RETAINED	**4,192,353**	**100**	**2,835,758**	**100**

Other Statutory Disclosures

(Pursuant to Section 221 of the Companies Act 2001)

Directors

The Directors of the Company during the year ended 31 December 2009 were:

D'HOTMAN DE VILLIERS, Patrice
HARDY, Bertrand
HAREL, Jason (appointed 30 December 09)
LAGESSE, Arnaud
LAGESSE, J Cyril
LAGESSE, Thierry
LAN HUN KUEN, Gaetan
RIBET, Jean
RIVALLAND, Louis
RIVALLAND, Michel Guy (appointed 30 December 09)
DALAIS, Guy Christian (resigned16 December 09)
DALAIS, Jean Pierre (resigned 16 December 09)
DALAIS, Pierre Arnaud (resigned 16 December 09)

The list of Directors of the subsidiaries during the year is on pages 93 to 95.

Directors' remuneration and benefits

	2009 Rs'000	2008 Rs'000
Emoluments paid by the Company and related corporations to:		
• Directors of Ireland Blyth Limited		
- Executive	51,296	13.174
- Non-Executive	4,389	4,790
• Directors of subsidiary companies (excluding those who are also Directors of Ireland Blyth Limited)		
- Executive	127,750	100,767
- Non-Executive	728	782

Directors' service contracts

There are no service contracts between the Company and its Directors.

Significant contracts

No contracts of significance subsisted during the period under review between the Company, its subsidiaries and any Director or controlling shareholder of the Company, either directly or indirectly.

Substantial shareholders

Shareholders who held 5% or more of the nominal value of the share capital of the Company as at 31 December 2009 are:

Compagnie d'Investissement et de Développement Ltée	48.29%
The Anglo-Mauritius Assurance Society Ltd	13.60%
Belle Mare Holding Ltd	10.88%

Other Statutory Disclosures

(Pursuant to Section 221 of the Companies Act 2001)

Donations

	THE GROUP		THE COMPANY	
	2009 Rs'000	**2008 Rs'000**	**2009 Rs'000**	**2008 Rs'000**
- Political	-	-	-	-
- Others	9,342	5,747	3,949	3,764

Auditors' remuneration

	THE GROUP		THE COMPANY	
	2009 Rs'000	**2008 Rs'000**	**2009 Rs'000**	**2008 Rs'000**
Audit fees paid to:				
- Kemp Chatteris Deloitte	4,722	4,029	1,081	1,030
- Other firms	475	321	-	-
Fees paid for other services provided for:				
- Kemp Chatteris Deloitte	30	26	-	-
- Ernst & Young	2,200	2,200	2,200	2,200

Subsidiaries of Ireland Blyth

List of Directors at 31 December 2009

	Adam & Co Ltd	Alkore Chemicals (Mauritius) Ltd	Blychem Ltd	Blymetal Ltd	Blyth Brothers & Co Ltd	Blytronics Ltd	Calendula Ltd	Cassis Ltd	Cervonic Ltd	Colonial Hotel Boutiques Limited	Construction & Material Handling Company Ltd	DTOS Ltd	DTOS International Ltd	DTOS Trustees Ltd	Egeco Ltd	Egeria Fishing Co Ltd	Equip and Rent Company Ltd	Fish Meal Producers Ltd	Fit-Out (Mauritius) Ltd	Froid des Mascareignes Limited	Grapevine Ltd	General Refuse Enterp.for Environ. Needs Ltd	GSP Co Ltd	Hall Geneve Langlois Ltd	IBL Aviation Comores SARL	IBL Comores SARL	IBL Consumer Health Products Ltd	IBL Energie Ltd	IBL Entertainment Ltd	IBL Entertainment Holding Ltd	IBL Equipment Rental Ltd	IBL Financial Services Holding Ltd	IBL Fishing Company Ltd	IBL Forex Company Ltd
Patrice d'Hotman de Villiers	•	•		•	•	•	•	•	•	•		•	•	•	•	•	•	•		•	•	•		•	•			•	•	•	•	•	•	•
François Desmarais	•				•																	•							•	•				
Gaetan Lan Hun Kuen	•				•			•	•		•	•	•	•	•		•			•				•								•		•
Fabrizio Merlo		•	•								•								•				•				•				•			
Nicolas Merven				•		•												•																
Simon-Pierre Rey	•	•	•	•	•	•	•	•		•	•	•	•	•	•		•	•	•	•	•			•	•		•	•	•	•		•		
Eric Venpin												•	•	•																				
Dennis Burton																																		
Vikash Bissoonauthsing																																		
Gildas Breton									•																									
Josian Caetan																										•								
Mervyn Chan																																		
Ajay Chooroomoney																																		
Jean Claude Béga																																		
Victor Manuel de Arroyabe																																		
Daniel Delva																																		
Antoine Domingue																																		
Kepa Echevarria																		•		•														
Lindsay Edwards																																		
Noel Julio François																																		
Sylvette Godère																																		
Jacques Goilot																																	•	
Robert Goupille																			•															
Vinod Gooroosawmy			•																•												•			
Eric Hardy																			•				•											
Djilani Hisaindee																																		
Ignacio Ibarra																																		
Robert Ip																																		
Gilbert Ithier																																		
Din Jheelan																											•							
Hugues Lagesse																																		
Subhash Lallah																																		
René Leclézio																																		
Stéphane Lozachmeur									•																									
Alain Malliaté																																		
Yves Méyépa																																		
Capt. P Ponambalum																				•														
Maurice Rault																				•														
Dev Ramasawmy																										•								
Patrice Robert									•											•														
Elena Ruiz																																		
S. Suntah																				•														
Amit Verma												•																						
Jimmy Wong												•	•	•																				
Natasha Wong																																		

A: Alternate Directors

Subsidiaries of Ireland Blyth

List of Directors at 31 December 2009 (continued)

Director	IBL Foundation	IBL Impex Ltd	IBL International Ltd	IBL Madagasikara SA	IBL Properties Ltd	IBL Regional Development Ltd	IBL Reunion SAS	IBL Santé SARL	IBL Training Services Ltd	IBL Travel Ltd	IBL Travel SARL	I-Consult Ltd	I-Consult International Ltd	Indian Ocean Dredging Limited	Indian Ocean Logistics Limited	Indico Canning Ltd	Interface Management Services Limited	Interface International Ltd	Ireland Blyth (Engineering) Ltd	Ireland Blyth (Informatics) Ltd	Ireland Blyth (Seychelles) Ltd	Ireland Fraser & Co Ltd	Ireland Fraser (Madagascar) Ltd	Island Coal Ltd	I-Telecom Ltd	Knights & Johns Management Ltd	Koho Boards Ltd	Logidis Ltd	Logidis Services Ltd	Mada Aviation SARL	Mad Courier SARL	Manufacturing and Industrial Development Corporation Ltd	Manser Saxon Aluminium Ltd
Patrice d'Hotman de Villiers		•	•	•	•	•			•	•	•	•	•	•	•	•			•	•	•	•		•	•		•	•	•	•	•	•	•
François Desmarais			•	•		•																•		•									
Gaetan Lan Hun Kuen					•	•										•	•		•	•		•				•						•	
Fabrizio Merlo						•	•								•												•	•	•				•
Nicolas Merven	•	•	•		•																												
Simon-Pierre Rey		•	•		•	•	•		•	•	•	•	•						•	•	•	•			•			•	•	•	•	•	•
Eric Venpin	•																•	•								•							
Dennis Burton																																	
Vikash Bissoonauthsing								•																									
Gildas Breton																																	
Josian Caetan																																	
Mervyn Chan																	A	A								A							
Ajay Chooroomoney																																	
Jean Claude Béga																	•	•								•							
Victor Manuel de Arroyabe																•																	
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Ignacio Ibarra																A																	
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Gilbert Ithier																																	
Din Jheelan	•							•																									
Hugues Lagesse																	•	•								•							
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Elena Ruiz																•																	
S. Suntah																																	
Amit Verma																																	
Jimmy Wong																	•	•								•							
Natasha Wong																																	

Director	Manser Saxon Contracting Ltd	Manser Saxon Dubai LLC	Manser Saxon Environment Ltd	Manser Saxon Export Ltd	Manser Saxon Openings Ltd	Manser Saxon Plumbing Ltd	Marine Biotechnology Products Ltd	Mauritian Eagle Insurance Co Ltd	Mauritian Eagle Leasing Co Ltd	Medical Trading Company Ltd	Medical Trading International Ltd	New Cold Storage Co Ltd	Pick & Buy Ltd	Pines Ltd	Plastic Recycling Co Ltd	Riche Terre Development Ltd	Riche Terre Electricals Ltd	Rodrigues Speciality Products Ltd	Saxon International Ltd	Scomat Ltée	Seafood Hub Ltd	Seaways Marine Supplies Ltd	Société de Traitement et d'Assainissement des Mascareignes Ltée	Société de Transit Aerien et Maritime SARL	Société Immobiliere IBL Tana SARL	Société Mauricienne de Navigation Ltee	Société Mauricienne d'Exploitation des Eaux Ltee	Somatrans SDV Logistics Ltd	Somatrans SDV Ltd	Southern Seas Shipping Co Ltd	Star Cruise Ltd	Strategic Supply Ltd	Thon des Mascareignes Limited	Tornado Ltd	Tornado Engineering Ltd	Tourism Services International Ltd	Transfroid Limited	Trianon Development Ltd	Tuna Mascarene S.I.
Patrice d'Hotman de Villiers	•		•	•	•	•	•	•	•			•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•
François Desmarais			•												•								•		•													•	
Gaetan Lan Hun Kuen	•						•	•	•			•		•						•	•										•		•				•		
Fabrizio Merlo	•	•	•	•	•	•				•	•	•			•	•	•		•	•							•	•	•					•	•				
Nicolas Merven												•	•																			•							
Simon-Pierre Rey	•			•	•	•		•	•		•	•	•	•	•	•	•		•	•						•	•	•	•	•	•	•		•	•	•	•	•	
Eric Venpin								•	•					•																									
Dennis Burton								•																															
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Lindsay Edwards																																							
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Sylvette Godère																																							
Jacques Goilot																										•													
Robert Goupille																																							
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Gilbert Ithier								•	•																														
Din Jheelan										•	•																												
Hugues Lagesse																																							
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René Leclézio																																							
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S. Suntah																																					•		
Amit Verma																																							
Jimmy Wong														•																									
Natasha Wong									•																														

Subsidiaries of Ireland Blyth

List of Directors at 31 December 2009

The following resignations / appointments took place in 2009:

Mauritian Eagle Insurance Co Ltd:

Mr Nick Beyers resigned as Director on 1 October 2009.

Interface Management Services Ltd:

Messrs Guillaume Raffray, Michel Guy Rivalland and François Piat Dalais resigned as Directors on 4 June 2009. Messrs Hugues Lagesse and Jean Claude Béga were appointed Directors on 4 June 2009.

Knights & Johns Management Ltd:

Messrs Guillaume Raffray, Michel Guy Rivalland and François Piat Dalais resigned as Directors on 4 June 2009. Messrs Hugues Lagesse and Jean Claude Béga were appointed Directors on 7 July 2009.

Interface International Ltd:

Messrs Guillaume Raffray, Michel Guy Rivalland and François Piat Dalais resigned as Directors on 4 June 2009. Messrs Hugues Lagesse and Jean Claude Béga were appointed Directors on 5 August 2009.

Independent Auditors' Report to the Shareholders of Ireland Blyth Limited

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Ireland Blyth Limited on pages 98 to 171 which comprise the statements of financial position as at 31 December 2009 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibilities for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 98 to 171 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacities as auditors and arm's length dealings in the ordinary course of business;
- We have obtained all information and explanations that we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

KEMP CHATTERIS DELOITTE
Chartered Accountants
29 March 2010

Jacques de C du Mée, ACA
Signing Partner

Statements of Financial Position

AT 31 DECEMBER 2009

	Notes	THE GROUP 2009 Rs'000	THE GROUP 2008 Rs'000	THE GROUP 2007 Rs'000	THE COMPANY 2009 Rs'000	THE COMPANY 2008 Rs'000	THE COMPANY 2007 Rs'000
ASSETS							
Non-current assets							
Property, plant and equipment	5	4,386,076	4,249,063	3,676,747	945,021	944,935	939,475
Investment property	6	-	-	665,000	-	-	-
Intangible assets	7	488,628	496,048	326,789	6,754	11,130	13,953
Investments in subsidiaries	8	-	-	-	1,325,014	1,323,775	959,389
Investments in associates	9	799,613	1,811,075	1,623,568	363,547	1,547,904	3,869,397
Investments in securities	10	351,953	229,754	236,999	97,217	94,025	62,491
Finance lease receivables	11	807,140	986,746	1,060,547	-	-	-
		6,833,410	7,772,686	7,589,650	2,737,553	3,921,769	5,844,705
Current assets							
Inventories	12	1,938,525	1,754,267	1,423,962	380,965	494,842	413,341
Finance lease receivables	11	281,265	235,217	295,535	-	-	-
Trade and other receivables	13	3,368,955	3,539,127	3,372,895	2,967,205	3,339,233	3,421,157
Bank balances and cash	26(b)	292,495	275,885	428,931	52,405	131,956	192,347
		5,881,240	5,804,496	5,521,323	3,400,575	3,966,031	4,026,845
Total assets		12,714,650	13,577,182	13,110,973	6,138,128	7,887,800	9,871,550
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital	14	714,383	714,383	714,383	714,383	714,383	714,383
Share premium		192,097	192,097	192,097	192,097	192,097	192,097
Retained profit		957,031	1,068,013	1,039,526	572,829	804,857	597,487
Revaluation reserves		494,442	461,331	494,466	427,778	1,226,560	3,545,187
Translation and other reserves		366,964	1,043,355	849,501	38,969	38,969	38,969
Equity attributable to owners of the parent		2,724,917	3,479,179	3,289,973	1,946,056	2,976,866	5,088,123
Non-controlling interests		465,365	446,770	459,229	-	-	-
Total equity		3,190,282	3,925,949	3,749,202	1,946,056	2,976,866	5,088,123
Non-current liabilities							
Obligations under finance lease	15	85,453	137,308	177,817	10,275	11,763	10,685
Long-term loans	16	1,859,771	1,864,106	2,420,510	534,922	511,033	697,083
Retirement benefit obligations	17	123,169	112,604	144,163	88,625	84,243	118,023
		2,068,393	2,114,018	2,742,490	633,822	607,039	825,791
Current liabilities							
Bank overdrafts	18	2,015,881	2,474,688	1,983,958	1,734,296	2,305,981	1,831,805
Short-term loans	19	1,174,208	925,838	688,176	465,209	387,770	333,885
Obligations under finance lease	15	49,912	46,491	41,727	2,962	3,800	2,298
Trade and other payables	20	3,621,983	3,566,051	3,447,829	1,355,783	1,606,344	1,789,648
Tax liabilities		41,628	42,515	43,839	-	-	-
		6,903,612	7,055,583	6,205,529	3,558,250	4,303,895	3,957,636
Total liabilities		8,972,005	9,169,601	8,948,019	4,192,072	4,910,934	4,783,427
Life assurance fund		552,363	481,632	413,752	-	-	-
Total equity and liabilities		12,714,650	13,577,182	13,110,973	6,138,128	7,887,800	9,871,550

Approved by the Board of Directors and authorised for issue on 29 March 2010.

Thierry Lagesse
DIRECTOR

Patrice d'Hotman de Villiers
DIRECTOR

Statements of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	THE GROUP 2009 Rs'000	THE GROUP 2008 Rs'000	THE COMPANY 2009 Rs'000	THE COMPANY 2008 Rs'000
Revenue	3(f), 21	13,208,847	12,909,578	1,917,980	2,201,600
Profit from operations	22	950,185	610,855	355,803	474,793
Surplus arising on distribution of investment		867,328	-	1,631,079	-
Share of profits less losses of associates	9	134,617	321,411	-	-
Net finance costs	23				
Finance costs		(466,983)	(548,969)	(367,401)	(447,991)
Finance income		13,506	15,569	209,781	266,294
		(453,477)	(533,400)	(157,620)	(181,697)
Profit before Tax		1,498,653	398,866	1,829,262	293,096
Income tax expense	24	(61,904)	(62,928)	-	-
Profit for the year		1,436,749	335,938	1,829,262	293,096
Other comprehensive income					
Realised loss/(gain) on disposal of investments		17,218	(13,757)	-	(77)
Surplus on distribution of investment		-	-	(1,631,079)	-
Exchange differences on translating foreign operations		(11,068)	10,534	-	-
Net gain/(loss) on available-for-sale financial assets		35,576	(43,375)	832,297	(2,318,550)
Other comprehensive income/(loss) for the year		41,726	(46,598)	(798,782)	(2,318,627)
Total comprehensive income/(loss) for the year		1,478,475	289,340	1,030,480	(2,025,531)
Profit attributable to:-					
Owners of the parent		1,361,387	300,011	1,829,262	293,096
Non-controlling interests		75,362	35,927	-	-
		1,436,749	335,938	1,829,262	293,096
Total comprehensive income/(loss) attributable to:					
Owners of the parent		1,383,430	277,164	1,030,480	(2,025,531)
Non-controlling interests		95,045	12,176	-	-
		1,478,475	289,340	1,030,480	(2,025,531)
Earnings per share (Rs)	27	19.06	4.20		

(a) **THE GROUP**

	Note	Share capital Rs'000	Share premium Rs'000	Properties revaluation reserve Rs'000	Investments revaluation reserve Rs'000	Translation and other reserves Rs'000	Retained profit Rs'000	**Attributable to owners of the parent Rs'000**	Non-controlling interests Rs'000	**Total Rs'000**
Balance at 1 January 2008		714,383	192,097	451,830	42,636	849,501	1,039,526	**3,289,973**	459,229	**3,749,202**
Share of retained earnings of associated companies		-	-	-	-	188,499	(190,731)	**(2,232)**	(1,489)	**(3,721)**
Transfer on rights issue		-	-	-	-	-	-	**-**	70,243	**70,243**
Consolidation adjustments		-	-	-	-	(4,933)	4,933	**-**	(43,680)	**(43,680)**
		-	-	-	-	183,566	(185,798)	**(2,232)**	25,074	**22,842**
Profit for the year		-	-	-	-	-	300,011	**300,011**	35,927	**335,938**
Other comprehensive (loss)/income		-	-	-	(33,135)	10,288	-	**(22,847)**	(23,751)	**(46,598)**
Total comprehensive income for the year		-	-	-	(33,135)	10,288	300,011	**277,164**	12,176	**289,340**
Capital from non-controlling shareholders		-	-	-	-	-	-	**-**	1,600	**1,600**
Dividends	25	-	-	-	-	-	(85,726)	**(85,726)**	(51,309)	**(137,035)**
Balance at 31 December 2008		714,383	192,097	451,830	9,501	1,043,355	1,068,013	**3,479,179**	446,770	**3,925,949**
Balance at 1 January 2009		714,383	192,097	451,830	9,501	1,043,355	1,068,013	**3,479,179**	446,770	**3,925,949**
Share of retained earnings of associated companies		-	-	-	-	(669,079)	669,079	**-**	-	**-**
Purchase of non-controlling interests		-	-	-	-	-	(76,402)	**(76,402)**	(38,430)	**(114,832)**
Consolidation adjustments		-	-	-	-	3,756	(3,756)	**-**	(1,508)	**(1,508)**
		-	-	-	-	(665,323)	588,921	**(76,402)**	(39,938)	**(116,340)**
Profit for the year		-	-	-	-	-	1,361,387	**1,361,387**	75,362	**1,436,749**
Other comprehensive (loss)/income		-	-	-	33,111	(11,068)	-	**22,043**	19,683	**41,726**
Total comprehensive income for the year		-	-	-	33,111	(11,068)	1,361,387	**1,383,430**	95,045	**1,478,475**
Capital from non-controlling shareholders		-	-	-	-	-	-	**-**	13,293	**13,293**
Dividends	25	-	-	-	-	-	(2,061,290)	**(2,061,290)**	(49,805)	**(2,111,095)**
Balance at 31 December 2009		714,383	192,097	451,830	42,612	366,964	957,031	**2,724,917**	465,365	**3,190,282**

(b) **THE COMPANY**

	Note	Share capital Rs'000	Share premium Rs'000	Properties revaluation reserve Rs'000	Investments revaluation reserve Rs'000	Translation and other reserves Rs'000	Retained earnings Rs'000	**Total Rs'000**
Balance at 1 January 2008		714,383	192,097	409,199	3,135,988	38,969	597,487	**5,088,123**
Profit for the year		-	-	-	-	-	293,096	**293,096**
Other comprehensive loss		-	-	-	(2,318,627)	-	-	**(2,318,627)**
Total comprehensive (loss)/income for the year		-	-	-	(2,318,627)	-	293,096	**(2,025,531)**
Dividends	25	-	-	-	-	-	(85,726)	**(85,726)**
Balance at 31 December 2008		714,383	192,097	409,199	817,361	38,969	804,857	**2,976,866**
Balance at 1 January 2009		714,383	192,097	409,199	817,361	38,969	804,857	**2,976,866**
Profit for the year		-	-	-	-	-	1,829,262	**1,829,262**
Other comprehensive loss		-	-	-	(798,782)	-	-	**(798,782)**
Total comprehensive (loss)/income for the year		-	-	-	(798,782)	-	1,829,262	**1,030,480**
Dividends	25	-	-	-	-	-	(2,061,290)	**(2,061,290)**
Balance at 31 December 2009		714,383	192,097	409,199	18,579	38,969	572,829	**1,946,056**

		THE GROUP		THE COMPANY	
	Notes	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
CASH GENERATED FROM/(USED IN) OPERATIONS	26 (a)	1,547,850	1,041,914	(83,219)	306,992
Interest paid		(466,983)	(548,969)	(367,401)	(447,991)
Taxation paid		(62,887)	(57,142)	-	-
Dividends paid to non-controlling shareholders		(49,805)	(51,309)	-	-
Dividends paid by holding company		(85,726)	(125,017)	(85,726)	(125,017)
Net cash generated from/(used in) operating activities		882,449	259,477	(536,346)	(266,016)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of investments		135,224	69,942	21,585	95,922
Proceeds from disposal of property, plant and equipment		22,178	37,684	19,099	19,606
Proceeds from disposal of computer software		2	-	-	-
Purchase of investments		(241,857)	(132,432)	(10,000)	(429,275)
Purchase of property, plant and equipment		(405,486)	(907,236)	(55,158)	(60,237)
Purchase of non-controlling interests		(114,832)	-	-	-
Decrease/(increase) in amounts due from related companies		-	-	586,933	13,702
Purchase of computer software		(11,516)	(19,087)	(1,378)	(2,840)
Dividends received		65,131	137,663	215,817	325,597
Interest received		13,506	15,569	209,781	266,294
Investment in finance leases		(253,746)	(137,486)	-	-
Capital repayment on finance leases		267,922	265,805	-	-
Net cash inflow on disposal of subsidiaries	26 (c)	-	390,300	-	-
Net cash outflow on acquisition of subsidiaries	26 (d)	-	(91,177)	-	-
Net cash (used in)/generated from investing activities		(523,474)	(370,455)	986,679	228,769
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares to non-controlling shareholders		13,293	1,600	-	-
Deposit		72,423	46,548	-	-
Loans received		580,820	405,344	350,000	190,000
Loans repaid		(410,416)	(526,465)	(248,672)	(322,165)
(Decrease)/increase in bills payable		(84,055)	(414,567)	(49,902)	(362,538)
Obligations under finance lease repaid		(55,623)	(45,258)	(9,625)	(2,617)
Net cash (used in)/generated from financing activities		116,442	(532,798)	41,801	(497,320)
Net increase/(decrease) in cash and cash equivalents		475,417	(643,776)	492,134	(534,567)
Cash and cash equivalents at start of the year	26 (b)	(2,198,803)	(1,555,027)	(2,174,025)	(1,639,458)
Cash and cash equivalents at end of the year	26 (b)	(1,723,386)	(2,198,803)	(1,681,891)	(2,174,025)

1. GENERAL INFORMATION

Ireland Blyth Limited is a public company incorporated in Mauritius and listed on the Stock Exchange of Mauritius. Its registered office is situated at IBL House, Caudan, Port Louis, Mauritius.

The main activities of Ireland Blyth Limited and of its subsidiary companies are carried out in four sectors of activities and supported by a corporate unit.

Sectors of activities:

- Financial Services
- Logistics, Engineering and Commerce
- Retail
- Seafood and Marine

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 Standards and Interpretations affecting presentation and disclosure in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current period and have affected presentation and disclosure in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section 2.2.

Standards affecting presentation and disclosure

IAS 1 Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income

IAS 1(2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard has required the presentation of a third statement of financial position at 1 January 2008, because the Group and the Company have reclassified items in the financial statements.

IFRS 7 Financial Instruments: Disclosures - Amendments enhancing disclosures about fair value and liquidity risk

The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. Comparative information for these expanded disclosures have not been provided in the current year in accordance with the transitional reliefs offered in these amendments.

IFRS 8 Operating Segments

IFRS 8 is a disclosure Standard that has resulted in a redesignation of the Group's and the Company's reportable segments (Note 28).

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (cont'd)

2.2 Interpretation and Standards affecting the reported results or financial position

IFRIC 17 Distributions of Non-Cash Assets to Owners adopted in advance of its effective date (annual periods beginning on or after 1 July 2009)

The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.

The adoption of IFRIC 17 by the Group and the Company have resulted in the recognition of the difference between the carrying amount of assets distributed and the carrying amount of the dividend payable in profit or loss on settlement. The effect of the change is as follows:

	THE GROUP Rs'000	THE COMPANY Rs'000
Statements of financial position at 31 December 2009		
Investment in associate distributed at fair value (notes 9 and 25)	(1,989,852)	(1,989,852)
Surplus arising on the above	867,328	-
Decrease in investment in associate	(1,122,524)	(1,989,852)
Statements of comprehensive income for the year ended 31 December 2009		
Surplus arising on distribution of investment	867,328	1,631,079
Statements of changes in equity for the year ended 31 December 2009		
Dividend in-specie (note 25)	(1,989,852)	(1,989,852)

IAS 27 Consolidated and Separate Financial Statements (as revised in 2008) adopted in advance of its effective date (annual periods beginning on or after 1 July 2009) as a result of the early adoption of IFRIC 17

The revisions to IAS 27 principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries that do not result in a change of control. In prior years, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in existing subsidiaries that did not involve a loss of control the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss. Under IAS 27 (2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

In respect of the acquisition of non-controlling interests (previously termed "minorities") during the year (note 26(d)(ii)), the change in policy has been applied prospectively and has resulted in the difference of Rs 76.4M between the consideration paid and the non-controlling interests acquired for the Group, being recognised directly in equity, instead of in statement of financial position as goodwill.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (cont'd)

2.3 Standards and Interpretations adopted with no effect on financial statements

The following relevant new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

Amendments to IFRS 2 Share Based Payments – Vesting Conditions and Cancellations

The amendments clarify the definition of vesting conditions for the purpose of IFRS 2, introduce the concept of "non-vesting" conditions, and clarify the accounting treatment for cancellations.

IFRS 3 Business Combinations (as revised in 2008) adopted in advance of its effective date (annual periods beginning on or after 1 July 2009) as a result of the early adoption of IFRIC 17 (Section 2.2)

IFRS 3 (2008) Business Combination:

- Allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as "minority" interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;
- Changes the recognition and subsequent accounting requirements for contingent consideration;
- Requires the recognition of a settlement gain or loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and
- Requires that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

IFRS 5 Non-Current Assets Held-for-Sale and Discontinued Operations (as revised in 2009) adopted in advance of its effective date (annual periods beginning on or after 1 January 2010) as a result of the early adoption of IFRIC 17 (Section 2.2)

IFRS 5 (2009) clarifies the fact that disclosure requirements in Standards other than IFRS 5 do not generally apply to non-current assets classified as held-for-sale and discontinued operations.

IAS 7 Statement of Cash Flows

The amendments (part of Improvements to IFRSs (2009)) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (cont'd)

2.3 Standards and Interpretations adopted with no effect on financial statements (cont'd)

Amendments to IAS 32 Financial Instruments : Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation

The revisions to IAS 32 amend the criteria for debt/equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specific criteria being met.

IAS 36 Impairment of Assets

When discounted cash flows are used to estimate "fair value less cost to sell" additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate "value in use". This amendment had no immediate impact on the consolidated financial statements of the Group because the recoverable amount of its cash-generating units is currently estimated using "value in use".

The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Group as the annual impairment test is performed before aggregation.

Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendments provide clarifications on two aspects of hedge accounting identifying inflation as a hedged risk or portion, and hedging with options.

Embedded Derivatives Amendments to IFRIC 9 and IAS 39

The amendments clarify the accounting for embedded derivatives in the case of a reclassification of a financial asset out of the "fair value through profit or loss" category as permitted by the October 2008 amendments to IAS 39 Financial Instruments: Recognition and Measurement (see above).

IAS 40 Investment Property

As part of the improvements to IFRSs 2008, IAS 40 has been amended to include within its scope investment property in the course of construction.

The Group and the Company did not hold any asset under investment property nor had any asset under construction falling under this interpretation.

Notes to Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (cont'd)

2.3 Standards and Interpretations adopted with no effect on financial statements (cont'd)

IFRIC 15 Agreements for Construction of Real Estate

The interpretation addresses how entities should determine whether an agreement for the construction of a real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from the construction of real estate should be recognised. Since the Company and the Group have no investments in real estate, this amendment had no effect on the Group and the Company's financial statements.

IFRIC 16 Hedge of a Net Investment in a Foreign Operation

The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.

Improvements to IFRSs (2008) and (2009)

In addition to the amendments reported in the financial statements described at 2.1 above, the Improvements have led to a number of changes in the detail of the Group's accounting policies – some of which are changes in terminology only, and some of which are substantive but have had no material effect on the amounts reported. The majority of these amendments are effective from 1 January 2009.

2.4 Standards and Interpretations in issue but not yet adopted

At the date of authorisation of these financial statements, the following standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated.

IAS 1	Presentation of Financial Statements - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 7	Statement of Cash Flows - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 17	Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 24	Related Party Disclosures - Amendment to definition of related parties (effective 1 January 2011)
IAS 28	Investments in Associates - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 31	Interests in Joint Ventures - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 32	Financial Instruments: Presentation - Amendments relating to classification of rights issues (effective 1 February 2010)
IAS 36	Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 38	Intangible Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 July 2009)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items (effective 1 July 2009)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (cont'd)

2.4 Standards and Interpretations in issue but not yet adopted (cont'd)

IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IFRS 1	First-time Adoption of International Financial Reporting Standards - Revised and restructured (effective 1 July 2009)
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendments relating to oil and gas assets and determining whether an arrangement contains a lease (effective 1 January 2010)
IFRS 1	First-time Adoption of International Financial Reporting Standards - Limited Exemption from Comparative IFRS 7 Disclosure for first-time Adopters (effective 1 July 2010)
IFRS 2	Share-based Payment - Amendments resulting from April 2009 Annual improvements to IFRSs (effective 1 July 2009)
IFRS 2	Share-based Payment - Amendments relating to Group cash-settled share-based payment transactions (effective 1 January 2010)
IFRS 8	Operating Segments - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IFRS 9	Financial Instruments - Classification and Measurement (effective 1 January 2013)
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction - Amendment with respect to voluntary prepaid contributions (effective 1 January 2011)
IFRIC 18	Transfers of Assets from Customers (Transfers received on or after 1 July 2009)
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)

The Directors anticipate that the adoption of these Standards and Interpretations at the above effective dates in future periods will have no material impact on the financial statements of the Group and the separate financial statements of the Company.

3. ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and the Company are as follows:

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings, investment property and certain available-for-sale investments, and are in accordance with International Financial Reporting Standards (IFRS).

(b) Basis of consolidation

The consolidated financial statements include the results of the Company and of its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of their acquisition or up to the date of their disposal. Inter-group transactions are eliminated on consolidation.

3. ACCOUNTING POLICIES (cont'd)

(b) Basis of consolidation (cont'd)

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(c) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

3. ACCOUNTING POLICIES (cont'd)

(c) Business combinations (cont'd)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- Liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment; and

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

(d) Investments in subsidiaries

In the Company's financial statements, investments in subsidiaries are stated at cost. The carrying amount is reduced if there is any indication of impairment in value.

(e) Investments in associates

Associates are those companies which are not subsidiaries or joint ventures, over which the Group exercises significant influence and in which it holds a long-term equity interest.

Investments in associates are accounted for at cost or fair value in the Company's accounts and under the equity method of accounting in the group accounts. The Group's share of the associates' profit or loss for the year is recognised in the statement of comprehensive income and the Group's interest in the associate is carried in the statement of financial position at an amount that reflects its share of the net assets of the associates.

3. ACCOUNTING POLICIES (cont'd)

(e) Investments in associates (cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment on an annual basis as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the statement of comprehensive income.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents sales of goods and services, commissions, gross insurance premiums and gross finance lease receivable.

Sales of goods are recognised upon delivery of products and customer acceptance and are net of value added tax and discounts.

Revenue from services are recognised when the services have been performed and are billable.

Commissions are recognised upon performance of services.

Insurance premiums from general insurance business are recognised on a pro-rata basis over the terms of the policy coverage. Life Insurance premiums are recognised on a received basis.

Gross income receivable under finance lease are accounted for in the year in which they are receivable.

Other operating income earned by the Group are recognised as follows:

Rental income - on an accruals basis
Dividend income - when the right to receive payment is established
Interest income - on a time proportion basis using the effective interest method.

(g) Property, plant and equipment

Freehold land and buildings are stated at their revalued amounts. Revaluations are performed such that the carrying amount does not differ materially from that which would be determined using fair values at the statement of financial position date.

Any revaluation increase is credited to properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in statement of comprehensive income, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged. A decrease in carrying amount arising on revaluation is charged to statement of comprehensive income to the extent that it exceeds the balance, if any, held in properties revaluation reserve relating to a previous revaluation of that asset.

3. ACCOUNTING POLICIES (cont'd)

(g) Property, plant and equipment (cont'd)

Depreciation on revalued buildings is charged to statement of comprehensive income. On the subsequent disposal or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained profits.

Leasehold land is carried at cost.

No depreciation is provided on freehold land.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost or revalued amount of the assets to their estimated residual values on a straight line basis over their expected useful lives as follows:-

Freehold properties	- 50 years
Leasehold properties	- over period of lease
Plant and machinery	- 5 to 10 years
Shipping vessels	- 8 to 9 years
Furniture and fittings	- 5 years
Computer equipment	- 3 to 7 years
Motor vehicles	- 6 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(h) Investment property

Property held to earn rentals and/or for capital appreciation, is stated at its fair value at the statement of financial position date. Gains or losses arising from changes in the fair value of investment property are included in statement of comprehensive income for the period in which they arise.

3. ACCOUNTING POLICIES (cont'd)

(i) Intangible assets

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described at 3(e) above.

Computer software

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The software is capitalised at cost and amortised over its estimated useful lives of 3 to 7 years.

(j) Inventories

Inventories are stated at the lower of cost (determined on a weighted average price basis) and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

3. ACCOUNTING POLICIES (cont'd)

(k) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the statement of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the term of the relevant lease.

The Group as lessor

Amount due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to the accounting period so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(l) Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing on the statement of financial position date.

Exchange differences arising on the settlement and the retranslation of monetary items are recognised in the statement of comprehensive income.

3. ACCOUNTING POLICIES (cont'd)

(l) Foreign currencies (cont'd)

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are expressed in Mauritian rupees using exchange rates prevailing at the statement of financial position date. Their results for the period are translated into Mauritian rupees at average exchange rates for the period. The exchange differences arising from translation of the foreign operations are taken to the Group's translation reserve.

(m) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all deductible temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(n) Retirement benefit obligations

Defined benefit pension plan

The cost of providing benefits are actuarially determined using the projected unit credit method.

The present value of funded obligations is recognised in the statement of financial position as a non-current liability after adjusting for the fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost. The valuation of these obligations is carried out annually by a firm of consulting actuaries.

3. ACCOUNTING POLICIES (cont'd)

(n) Retirement benefit obligations (cont'd)

The current service cost and any recognised past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets.

A portion of the actuarial gains and losses will be recognised as income or expense if the net cumulative unrecognised actuarial gains and losses at the end of the previous accounting period exceeded the greater of:

(i) 10% of the present value of the defined benefit obligation at that date; and

(ii) 10% of the fair value of plan assets at that date.

Other retirement benefits

The present value of other retirement benefits in respect of Employment Rights Act gratuities is recognised in the statement of financial position as a non-current liability. The rate used to discount the retirement benefits is assumed to be the same as that which reflects future salary increases.

State plan and defined contribution pension plan

Contributions to the National Pension Scheme and defined contribution pension plan are expensed to the statement of comprehensive income in the period in which they fall due.

(o) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

(p) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Group has become party to the contractual provisions of the financial instruments.

Except where stated separately, the carrying amounts of the Group's financial instruments approximate their fair values. These instruments are measured as set out below:

(i) Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3. ACCOUNTING POLICIES (cont'd)

(p) Financial instruments (cont'd)

(i) Financial assets (cont'd)

(a) Financial assets at fair value through profit or loss (FVTPL)
Financial assets are classified as at FVTPL where the financial assets are either held for trading or are designated as at FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

(b) Held-to-maturity investments
Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

(c) Available-for-sale (AFS) financial assets
Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Available-for-sale investments which do not have a quoted market price and whose fair value cannot be reliably measured, are carried at cost, less any impairment loss.

3. ACCOUNTING POLICIES (cont'd)

(p) Financial instruments (cont'd)

(i) Financial assets (cont'd)

(d) Loans and receivables
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(e) Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

(f) Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(ii) Financial liabilities

(a) Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

(c) Financial liabilities
Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

3. ACCOUNTING POLICIES (cont'd)

(p) Financial instruments (cont'd)

(ii) Financial liabilities (cont'd)

(c) Financial liabilities (cont'd)

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing in the near future; or
- It is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in note 31.

(d) Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(e) Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3. ACCOUNTING POLICIES (cont'd)

(p) Financial instruments (cont'd)

(iii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through statement of comprehensive income. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

3. ACCOUNTING POLICIES (cont'd)

(q) Construction contracts

Revenue and costs from construction contracts, the outcome of which can be reliably estimated, are recognised by the percentage of completion method. The stage of completion of a contract is determined by surveys of work performed. Revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable on contracts, the outcome of which is uncertain. Losses are recognised immediately on contracts where they are foreseen.

(r) Impairment of tangible and intangible excluding goodwill

At each statement of financial position date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive incomes, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive incomes, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(s) Comparative figures

Comparative figures have been regrouped or restated, where necessary, to conform to the current year's presentation.

(t) Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if they have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or where the Group is subject to common control or common significant influence. Related parties may be individual or other entities.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumtions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

<u>Determination of functional currency of the Group entities</u>

As described in note 3, the determination of the functional currency of each group entity is critical since the way in which every transaction is recorded and whether exchange differences arise are dependent on the functional currency selected. In making this judgement, the Directors have considered the currencies in which revenue is received, the currency of the country whose competitive forces and regulations matter, the currencies in which labour, material and other costs are settled, the currencies in which the funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The Directors have determined that the functional currency of the company as well as that of most subsidiaries is the Mauritian rupee, except for the following subsidiaries.

Subsidiary	*Functional currency*
Southern Seas Shipping Company Limited	US Dollar
Tuna Mascarene s.l.	Euro
Mada Logistics s.a.r.l.	Ariary
Société Madcourier s.a.r.l.	Ariary
IBL Santé s.a.r.l.	Ariary
DTOS Ltd	US Dollar
Interface International Ltd	US Dollar
IBL Reunion s.a.s.	Euro
Tourism Services International Ltd	Euro
Ireland Blyth (Seychelles) Ltd	SRs
IBL Comores s.a.r.l.	KMF

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

<u>Estimated impairment of goodwill</u>

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the statement of financial position date was Rs 452.4M (2008: Rs 456.7M and 2007: Rs 292.7M) for which details are provided in note 7.

<u>Unquoted investments</u>

Determining whether investments are impaired requires an estimation of the value in use of the investments. In considering the value in use, the Directors have taken into account management accounts and cash flow projections. The actual results could, however, differ from the estimates.

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Land and buildings		Plant and	Furniture	Computer	Motor	Total
	Freehold	Leasehold	machinery	and fittings	equipment	vehicles	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost or valuation							
At 1 January 2007	1,592,899	622,237	1,675,684	640,728	197,328	485,467	5,214,343
Adjustments	64	3,454	(34,319)	(1,757)	(563)	385	(32,736)
Additions	100,460	37,628	479,451	64,291	30,155	61,552	773,537
Assets scrapped	-	-	-	(12,505)	(5,753)	(672)	(18,930)
Deconsolidation of subsidiaries	-	-	(47,186)	(21,737)	(4,270)	(125,877)	(199,070)
Disposals	(52,111)	-	(320,108)	(26,259)	(9,322)	(58,183)	(465,983)
At 31 December 2007	1,641,312	663,319	1,753,522	642,761	207,575	362,672	5,271,161
Additions	123,090	123,981	479,361	82,463	33,567	71,281	913,743
Acquisition of subsidiaries	-	-	863	1,428	2,088	7,772	12,151
Adjustments	-	-	(22)	184	656	202	1,020
Exchanges	-	-	9,145	1,242	1,487	714	12,588
Reclassifications	-	26	3,950	(3,844)	(132)	-	-
Assets scrapped	-	-	(54)	(473)	-	-	(527)
Deconsolidation of subsidiaries	-	-	(85,446)	(44,069)	(515)	(2,640)	(132,670)
Disposals	(7,482)	-	(106,713)	(1,842)	(1,343)	(44,596)	(161,976)
At 31 December 2008	1,756,920	787,326	2,054,606	677,850	243,383	395,405	5,915,490
Additions	60,192	30,662	226,989	32,125	19,997	161,464	531,429
Adjustments	-	-	(1,527)	(198)	5	458	(1,262)
Exchanges	-	-	(4,774)	(1,092)	(676)	(736)	(7,278)
Reclassifications/ transfer from intangible assets	91	3,079	-	(3,170)	18,552	-	18,552
Assets scrapped	-	-	-	(911)	(3,929)	-	(4,840)
Disposals	-	-	(11,549)	(2,535)	(546)	(31,193)	(45,823)
At 31 December 2009	1,817,203	821,067	2,263,745	702,069	276,786	525,398	6,406,268

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) THE GROUP (cont'd)

	Land and buildings		Plant and	Furniture	Computer	Motor	Total
	Freehold	Leasehold	machinery	and fittings	equipment	vehicles	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Accumulated depreciation							
At 1 January 2007	108,402	30,090	545,856	449,561	155,706	317,212	1,606,827
Adjustments	2	517	(10,409)	1,990	(857)	783	(7,974)
Depreciation charge for the year	14,133	11,074	135,707	58,495	25,537	43,262	288,208
Deconsolidation of subsidiaries	-	-	(16,825)	(13,743)	(1,157)	(109,532)	(141,257)
Assets scrapped	-	-	-	(12,498)	(5,752)	(672)	(18,922)
Disposals	(1,912)	-	(54,687)	(23,229)	(8,271)	(44,369)	(132,468)
At 31 December 2007	120,625	41,681	599,642	460,576	165,206	206,684	1,594,414
Charge for the year	16,857	11,941	141,423	54,282	27,239	46,308	298,050
Acquisition of subsidiaries	-	-	663	414	1,523	2,936	5,536
Adjustments	-	-	2,639	1,134	(119)	(17)	3,637
Exchanges	-	-	3,374	731	709	283	5,097
Reclassifications	-	231	2,212	(2,414)	(29)	-	-
Assets scrapped	-	-	(56)	(471)	-	-	(527)
Deconsolidation of subsidiaries	-	-	(78,284)	(41,479)	(452)	(1,338)	(121,553)
Disposals	-	-	(83,957)	(1,006)	(1,035)	(32,229)	(118,227)
At 31 December 2008	137,482	53,853	587,656	471,767	193,042	222,627	1,666,427
Charge for the year	19,324	6,221	192,080	52,983	28,940	70,554	370,102
Adjustments	-	-	10	337	112	875	1,334
Exchanges	-	-	(1,893)	(677)	(396)	(283)	(3,249)
Reclassifications/transfer from intangible assets	17	359	-	(376)	18,552	-	18,552
Assets scrapped	-	-	-	(911)	(3,929)	-	(4,840)
Disposals	-	-	(1,253)	(2,154)	(489)	(24,238)	(28,134)
At 31 December 2009	156,823	60,433	776,600	520,969	235,832	269,535	2,020,192
Carrying amount							
At 31 December 2009	1,660,380	760,634	1,487,145	181,100	40,954	255,863	4,386,076
At 31 December 2008	1,619,438	733,473	1,466,950	206,083	50,341	172,778	4,249,063
At 31 December 2007	1,520,687	621,638	1,153,880	182,185	42,369	155,988	3,676,747

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) **THE GROUP (cont'd)**

(i) The adjustments arise on the translation of the financial statements of foreign subsidiaries to Mauritian rupees, reclassification of assets, and other adjustments.

(ii) Freehold land and buildings were revalued in November 2001 at their open market values, by Gexim Land Consultants, Property Valuers. The valuation was taken as being effective as at 31 December 2001. The surplus of Rs 101.4M arising on revaluation was credited to revaluation reserve. The Directors are of opinion that the carrying amount does not materially differ from the fair value.

(iii) The carrying amount of assets held under finance leases is as follows:

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Plant and machinery	156,833	169,606	180,728	-	-	3,610
Motor vehicles	23,179	30,734	43,009	13,691	14,389	14,434
	180,012	200,340	223,737	13,691	14,389	18,044

(iv) Property, plant and equipment have been pledged as security for bank facilities granted to the Group (note 16).

Notes to Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(b) **THE COMPANY**

	Land and buildings Freehold Rs'000	Land and buildings Leasehold Rs'000	Plant and machinery Rs'000	Furniture and fittings Rs'000	Computer equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
Cost or valuation							
At 1 January 2007	927,945	51,761	36,452	322,802	85,944	144,455	1,569,359
Adjustments	-	-	-	(214)	(435)	931	282
Additions	2,224	-	36,093	12,514	7,343	8,482	66,656
Assets scrapped	-	-	-	(10,344)	(1,790)	(672)	(12,806)
Disposals	(88,908)	(1,872)	(7,228)	(20,634)	(10,713)	(32,798)	(162,153)
At 31 December 2007	841,261	49,889	65,317	304,124	80,349	120,398	1,461,338
Additions	18,413	-	25,717	10,269	4,439	6,596	65,434
Assets scrapped	-	-	(55)	(35)	-	(198)	(288)
Disposals	(3,977)	-	-	(596)	(640)	(16,297)	(21,510)
At 31 December 2008	855,697	49,889	90,979	313,762	84,148	110,499	1,504,974
Adjustments	-	-	-	-	4	43	47
Additions	45,770	-	793	4,204	3,051	8,639	62,457
Transfer from intangible assets	-	-	-	-	20,166	-	20,166
Assets scrapped	-	-	-	(956)	(1,175)	-	(2,131)
Disposals	(245)	-	(6,724)	(14,012)	(6,699)	(24,807)	(52,487)
At 31 December 2009	901,222	49,889	85,048	302,998	99,495	94,374	1,533,026
Accumulated depreciation							
At 1 January 2007	64,416	7,572	26,858	268,634	75,678	100,617	543,775
Adjustments	-	-	-	(214)	(428)	931	289
Charge for the year	7,803	1,760	2,535	19,808	7,606	11,842	51,354
Assets scrapped	-	-	-	(10,337)	(1,788)	(672)	(12,797)
Disposals	(1,912)	(16)	(4,410)	(17,554)	(9,972)	(26,894)	(60,758)
At 31 December 2007	70,307	9,316	24,983	260,337	71,096	85,824	521,863
Charge for the year	9,783	-	7,166	19,460	5,916	10,152	52,477
Assets scrapped	-	-	(56)	(34)	-	(198)	(288)
Disposals	-	-	-	(225)	(591)	(13,197)	(14,013)
At 31 December 2008	80,090	9,316	32,093	279,538	76,421	82,581	560,039
Adjustments	-	-	-	-	4	43	47
Charge for the year	8,109	1,708	11,013	12,817	4,200	7,236	45,083
Transfer from intangible assets	-	-	-	-	20,166	-	20,166
Assets scrapped	-	-	-	(956)	(1,175)	-	(2,131)
Disposals	(3)	-	(4,069)	(9,731)	(5,739)	(15,657)	(35,199)
At 31 December 2009	88,196	11,024	39,037	281,668	93,877	74,203	588,005
Carrying amount							
At 31 December 2009	813,026	38,865	46,011	21,330	5,618	20,171	945,021
At 31 December 2008	775,607	40,573	58,886	34,224	7,727	27,918	944,935
At 31 December 2007	770,954	40,573	40,334	43,787	9,253	34,574	939,475

6. INVESTMENT PROPERTY

	THE GROUP		
	2009 Rs'000	2008 Rs'000	2007 Rs'000
At 1 January	-	665,000	505,364
Surplus on revaluation	-	-	159,636
Deconsolidation of subsidiary	-	(665,000)	-
At 31 December	-	-	665,000
Rental income including common charges	-	-	77,904
Direct operating expenses generating rental income	-	-	23,247

Investment property was revalued in November 2007 at its open market value of Rs 665M by Gexim Real Estate Ltd, property valuers. The surplus on revaluation of Rs 159.6M was credited to the statement of comprehensive income.

During the year ended 31 December 2008, the Group disposed its investment in Highway Properties Limited, which held the above investment property.

Notes to Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

7. INTANGIBLE ASSETS

THE GROUP

	Goodwill Rs'000	Computer Software Rs'000	Total Rs'000
Cost			
At 1 January 2007	236,871	127,857	364,728
Scrapped	-	(4,798)	(4,798)
Deconsolidation of subsidiaries	-	(3,382)	(3,382)
Additions	82,213	13,324	95,537
At 31 December 2007	319,084	133,001	452,085
Additions	185,704	19,087	204,791
Scrapped	-	(421)	(421)
Deconsolidation of subsidiaries	(23,751)	(82)	(23,833)
At 31 December 2008	481,037	151,585	632,622
Additions	-	11,516	11,516
Exchanges	-	(464)	(464)
Disposal	-	(2)	(2)
Transfer to property, plant and equipment	-	(18,552)	(18,552)
Deconsolidation of subsidiaries	(4,272)	-	(4,272)
At 31 December 2009	476,765	144,083	620,848
Accumulated amortisation and impairment			
At 1 January 2007	26,344	90,476	116,820
Charge for the year	-	15,529	15,529
Scrapped	-	(4,798)	(4,798)
Deconsolidation of subsidiaries	-	(2,255)	(2,255)
At 31 December 2007	26,344	98,952	125,296
Charge for the year	-	13,760	13,760
Scrapped	-	(421)	(421)
Deconsolidation of subsidiaries	(1,979)	(82)	(2,061)
At 31 December 2008	24,365	112,209	136,574
Charge for the year	-	14,467	14,467
Exchanges	-	(269)	(269)
Transfer to property, plant and equipment	-	(18,552)	(18,552)
At 31 December 2009	24,365	107,855	132,220
Carrying amount			
At 31 December 2009	452,400	36,228	488,628
At 31 December 2008	456,672	39,376	496,048
At 31 December 2007	292,740	34,049	326,789

7. INTANGIBLE ASSETS (cont'd)

THE COMPANY

	Computer Software Rs'000
Cost	
At 1 January 2007	75,177
Additions	4,163
Scrapped	(2,263)
At 31 December 2007	77,077
Additions	2,840
Scrapped	(239)
At 31 December 2008	79,678
Additions	1,378
Transfer to property, plant and equipment	(20,166)
Disposal	(1,825)
At 31 December 2009	59,065
Amortisation	
At 1 January 2007	58,307
Charge for the year	6,760
Scrapped	(1,943)
At 31 December 2007	63,124
Charge for the year	5,663
Scrapped	(239)
At 31 December 2008	68,548
Charge for the year	5,419
Transfer to property, plant and equipment	(20,166)
Disposal	(1,490)
At 31 December 2009	52,311
Carrying amount	
At 31 December 2009	6,754
At 31 December 2008	11,130
At 31 December 2007	13,953

7. INTANGIBLE ASSETS (cont'd)

Goodwill has been allocated for impairment testing purposes to the following cash generating units (CGU's):

	THE GROUP		
	2009 Rs'000	2008 Rs'000	2007 Rs'000
Financial Services	274,522	274,522	156,996
Seafood and Marine	97,536	97,536	27,293
Engineering	80,342	84,614	86,679
Projects and Property Management	-	-	21,772
	452,400	456,672	292,740

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management. Cash flows are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate of the respective sector in which the CGU operates.

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Key assumptions used for value-in-use calculations:

	Growth rate	Discount rate
Financial services	3%	3%
Others	5%	10%

The Directors have reviewed the carrying amount of goodwill and computer software at the statement of financial position date and in their opinion, they have not been impaired.

8. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000
At 1 January	1,323,775	959,389	845,912
Additions	10,000	400,000	129,427
Disposals	-	(35,614)	(15,950)
Adjustment on winding-up	(8,761)	-	-
At 31 December	1,325,014	1,323,775	959,389
Investments are analysed as follows:			
Quoted	800	800	800
Unquoted	1,324,214	1,322,975	958,589
	1,325,014	1,323,775	959,389

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

Market values

At 31 December 2009, the market value of quoted investments amounted to Rs 312M (2008: Rs 218.4M).

Details of subsidiaries

Details of subsidiary companies are set out on pages 169 to 171.

9. INVESTMENTS IN ASSOCIATES

		THE GROUP			THE COMPANY		
	Notes	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
At 1 January:							
- As previously reported		1,811,075	1,623,568	1,356,856	1,547,904	3,869,397	751,667
- Effect of change in accounting policy	36	-	-	-	-	-	1,222,053
		1,811,075	1,623,568	1,356,856	1,547,904	3,869,397	1,973,720
Additions		40,000	2,600	47,794	-	-	-
Disposals		-	-	(43,926)	(21,070)	-	(40)
Distribution of investment	25	(1,989,852)	-	-	(1,989,852)	-	-
Adjustment on winding-up		(2,540)	-	-	(2,540)	-	-
Adjustment		-	(3,721)	-	-	-	(5,697)
Share of profits less losses		134,617	321,411	391,086	-	-	-
Dividend		(61,015)	(132,783)	(128,242)	-	-	-
Change in fair value		-	-	-	829,105	(2,321,493)	1,901,414
Surplus on distribution of investment		867,328	-	-	-	-	-
At 31 December		799,613	1,811,075	1,623,568	363,547	1,547,904	3,869,397

Investments are analysed as follows:-

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Quoted	-	1,094,121	969,901	-	1,160,747	3,482,240
Unquoted	799,613	716,954	653,667	363,547	387,157	387,157
	799,613	1,811,075	1,623,568	363,547	1,547,904	3,869,397

Details of associates

Details of main associated companies are set out on page 171.

Notes to Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

9. INVESTMENTS IN ASSOCIATES (cont'd)

Summarised financial information in respect of the Group's associates is set out below:

	2009 Rs'000	2008 Rs'000	2007 Rs'000
Total assets	4,103,324	13,387,989	10,674,425
Total liabilities	(1,859,186)	(7,261,584)	(5,337,270)
Net assets	2,244,138	6,126,405	5,337,155
Group's share of associates' net assets	799,613	1,811,075	1,623,568
Total revenue	4,179,648	8,307,918	7,396,765
Total profit for the year	475,415	1,077,150	1,301,572
Group's share of associates' profit for the year	134,617	321,411	391,086

Summarised financial information of associates that are not accounted for using the equity method:

	2009 Rs'000	2008 Rs'000	2007 Rs'000
Total assets	-	217,491	186,452
Total liabilities	-	(362,582)	(313,871)
Net liabilities	-	(145,091)	(127,419)
Total revenue	-	754,424	611,444
Total loss for the year	-	(17,672)	(23,376)

Unrecognised share of losses of associates:-

	2009 Rs'000	2008 Rs'000	2007 Rs'000
Share of loss for the year	-	8,659	11,454
Share of unrecognised accumulated losses	-	71,094	62,435

10. INVESTMENTS IN SECURITIES

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Available-for-sale investments						
At 1 January	229,754	236,999	181,161	94,025	62,491	49,695
Additions	201,857	129,832	134,497	-	29,275	-
Disposals	(115,234)	(80,544)	(101,181)	-	(684)	(134)
Transfer	-	-	-	-	-	5,697
Exchanges	-	(13,158)	-	-	-	-
Increase/(decrease) in fair value	35,576	(43,375)	22,522	3,192	2,943	7,233
At 31 December	351,953	229,754	236,999	97,217	94,025	62,491

11. FINANCE LEASE RECEIVABLES

	THE GROUP		
	Minimum lease payments Rs'000	Finance income Rs'000	Present value of minimum lease payments Rs'000
2009			
Amounts receivable:			
- within one year	341,778	95,784	245,994
- in the second to fifth years inclusive	1,033,892	191,481	842,411
	1,375,670	287,265	1,088,405
Less: Allowance for credit losses			-
			1,088,405
Analysed as:			
Current finance lease receivables			281,265
Non-current finance lease receivables			807,140
			1,088,405
2008			
Amounts receivable:			
- within one year	348,693	113,477	235,216
- in the second to fifth years inclusive	1,255,574	245,556	1,010,018
	1,604,267	359,033	1,245,234
Less: Allowance for credit losses			(23,271)
			1,221,963
Analysed as:			
Current finance lease receivables			235,217
Non-current finance lease receivables			986,746
			1,221,963
2007			
Amounts receivable:			
- within one year	435,744	134,827	300,917
- in the second to fifth years inclusive	1,311,023	238,387	1,072,636
	1,746,767	373,214	1,373,553
Less: Allowance for credit losses			(17,471)
			1,356,082
Analysed as:			
Current finance lease receivables			295,535
Non-current finance lease receivables			1,060,547
			1,356,082

Notes to Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

11. FINANCE LEASE RECEIVABLES (cont'd)

The average term of finance leases entered into is five to six years. The average effective interest rate contracted is 11.5% p.a. (2008: 13.5% p.a. and 2007: 14% p.a.).

Finance lease receivable balances are secured over the assets leased.

The fair value of the finance lease receivables at 31 December 2009 is estimated at Rs 1,086M (2008: Rs 1,215M and 2007: Rs 1,221M) based on discounted estimated future cash flows at market rate.

The fair value of the collaterals of the finance lease receivables at 31 December 2009 is estimated at Rs 1,208M (2008: Rs 1,356M and 2007: Rs 1,409M), based on the assets depreciated value.

There is no individual client which accounts for more than 10% of the total portfolio of the Group at the reporting date.

The lessee has the option to purchase the asset at the end of the lease period.

12. INVENTORIES

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Raw materials	430,509	345,548	111,271	-	-	-
Work-in-progress	7,776	30,890	42,185	-	19,834	25,194
Finished goods	1,500,240	1,377,829	1,270,506	380,965	475,008	388,147
	1,938,525	1,754,267	1,423,962	380,965	494,842	413,341
At cost	1,637,596	1,466,803	1,110,678	380,965	494,842	413,341
At net realisable value	300,929	287,464	313,284	-	-	-
	1,938,525	1,754,267	1,423,962	380,965	494,842	413,341

Inventories have been pledged as security for bank facilities granted to the Group (note 16).

13. TRADE AND OTHER RECEIVABLES

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Trade receivables	1,984,329	2,123,481	1,954,080	428,909	488,100	392,430
Allowance for doubtful debts	(103,103)	(123,701)	(56,538)	(17,436)	(81,353)	(20,030)
	1,881,226	1,999,780	1,897,542	411,473	406,747	372,400
Other receivables and prepayments	1,487,729	1,539,347	1,475,353	577,137	480,408	588,781
Amounts due by subsidiaries	-	-	-	1,978,595	2,452,078	2,459,976
	3,368,955	3,539,127	3,372,895	2,967,205	3,339,233	3,421,157

Amounts due by subsidiaries bear interest at 9.75% p.a. (2008: 11% p.a. and 2007: 13.5% p.a.).

The average credit period on sales of goods is 2 months. Allowance for doubtful debts is normally determined by the Group as 1% of debts due for more than 1 year. No interest is charged on the trade receivables.

Before accepting any new customer, the Credit Control Department of each sector of activity assesses the credit quality of the customer and defines the terms and credit limits accordingly.

Ageing of past due but not impaired

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
60 - 90 days	227,983	246,264	304,842	85,912	11,701	16,111
90 - 120 days	114,276	74,575	50,285	8,459	17,469	2,590
Total	342,259	320,839	355,127	94,371	29,170	18,701

Movement in the allowance for doubtful debts:

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
At 1 January	123,701	56,538	45,150	81,353	20,030	19,065
Impairment losses recognised on receivables	14,375	83,084	18,537	5,163	68,296	4,144
Amounts written off as uncollectible	(12,781)	(9,736)	(3,429)	(26,923)	(5,572)	(1,719)
Amounts recovered during the year	(1,941)	(1,657)	(3,310)	(859)	(971)	(1,460)
Impairment losses reversed	(20,251)	(4,528)	(410)	(41,298)	(430)	-
At 31 December	103,103	123,701	56,538	17,436	81,353	20,030

13. TRADE AND OTHER RECEIVABLES (cont'd)

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

14. SHARE CAPITAL

	Authorised		Issued and fully paid	
	Shares	Rs'000	Shares	Rs'000
Ordinary shares of Rs 10 each				
At 1 January and 31 December 2009	71,440,139	714,401	71,438,333	714,383

15. OBLIGATIONS UNDER FINANCE LEASE

THE GROUP	Minimum lease payments			Present value of minimum lease payments		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Within one year	62,065	65,230	68,110	49,912	46,491	41,727
In the second to the fifth years inclusive	94,044	157,085	217,248	84,745	136,676	174,803
After five years	777	669	3,344	708	632	3,014
	94,821	157,754	220,592	85,453	137,308	177,817
	156,886	222,984	288,702	135,365	183,799	219,544
Less: Future finance charges	(21,521)	(39,185)	(69,158)	-	-	-
Present value of minimum lease payments	135,365	183,799	219,544	135,365	183,799	219,544

THE COMPANY	Minimum lease payments			Present value of minimum lease payments		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Within one year	4,378	5,691	3,718	2,962	3,800	2,298
In the second to the fifth years inclusive	12,531	13,950	12,607	10,133	11,360	10,002
After five years	183	444	882	142	403	683
	12,714	14,394	13,489	10,275	11,763	10,685
	17,092	20,085	17,207	13,237	15,563	12,983
Less: Future finance charges	(3,855)	(4,522)	(4,224)	-	-	-
Present value of minimum lease payments	13,237	15,563	12,983	13,237	15,563	12,983

15. OBLIGATIONS UNDER FINANCE LEASE (cont'd)

For the year ended 31 December 2009, the average effective borrowing rate was 10.8% p.a. (2008 and 2007: 10.7% p.a.).

Leasing arrangements

Finance leases relate to motor vehicles and plant and machinery with lease terms of 3 to 5 years on average. The Group has options to purchase the assets for a nominal amount at the conclusion of the lease arrangements. The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

Fair value

The fair value of the finance lease obligations approximate their carrying amounts at the statement of financial position date.

16. LONG TERM LOANS

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Repayable by instalments:						
Within one year (see note 19)	703,380	540,162	473,069	465,209	387,770	333,885
In the second year	378,531	361,289	328,411	200,574	228,662	219,914
In the third to the fifth years inclusive	616,101	573,562	780,406	334,348	282,371	437,413
After five years	124,255	175,642	235,736	-	-	39,756
	1,118,887	1,110,493	1,344,553	534,922	511,033	697,083
Deposits repayable:						
In the second to the fifth years inclusive	740,884	745,613	877,634	-	-	-
After five years	-	8,000	-	-	-	-
	740,884	753,613	877,634	-	-	-
Other loans	-	-	198,323	-	-	-
	1,859,771	1,864,106	2,420,510	534,922	511,033	697,083

The loans are secured by fixed and floating charges on the assets of the Group and the rates of interest vary between 5% and 10% p.a. (2008: 6% and 13.5% p.a and 2007: 6% and 13.5% p.a.) and 2.2% p.a (2008: 4.4% p.a.and 2007: 5.4%p.a.) for a Euro loan. The weighted average rate of interest (excluding Euro loan) is 8.7% p.a. (2008: 9.4% p.a. and 2007: 11.6% p.a.). The deposits bear interest at rates ranging from 5.75% to 13.75% p.a. (2008: 7.4% to 13.75% p.a. and 2007: 9.5% to 13.5% p.a.).

17. RETIREMENT BENEFIT OBLIGATIONS

Amounts recognised in the statements of financial position:

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Defined benefit plan (note (a))	88,625	84,243	118,023	88,625	84,243	118,023
Other retirement benefits (note (b))	34,544	28,361	26,140	-	-	-
	123,169	112,604	144,163	88,625	84,243	118,023

(a) **Defined benefit plan**

The Group operates a defined benefit plan for some of its employees and the plan is wholly funded. The assets of the funded plan are held independently and administered by The Anglo-Mauritius Assurance Society Ltd.

Amounts recognised in the statements of comprehensive income:

	THE GROUP AND THE COMPANY	
	2009 Rs'000	2008 Rs'000
Current service cost	15,363	15,552
Scheme expenses	1,669	1,785
Cost of insuring risk benefits	5,368	5,486
Interest cost	62,774	61,295
Expected return on plan assets	(49,860)	(62,408)
Actuarial (loss)/gain	458	(5,707)
Effect of curtailments/settlements	-	(22,253)
Net periodic pension cost included in staff costs	35,772	(6,250)
Actual return on plan assets	100,191	94,073

17. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(a) **Defined benefit plan (cont'd)**

Movements in liability recognised in the statements of financial position:

	THE GROUP AND THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000
At 1 January	84,243	118,023	125,367
Total expenses as per above	35,772	(6,250)	21,543
Employer contributions	(31,390)	(27,530)	(28,887)
At 31 December	88,625	84,243	118,023

At 31 December 2009 and 31 December 2008, the fund had no investment in loans to Ireland Blyth Limited (2007: 12%).

Movements in the present value of the defined benefit obligations in the current period were as follows:

	THE GROUP AND THE COMPANY			
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2006 Rs'000
At 1 January	636,821	579,049	534,016	490,809
Current service cost	15,363	15,552	15,518	14,928
Interest cost	62,774	61,295	54,131	49,869
Actuarial gains/ (losses)	41,928	27,073	8,113	1,818
Benefits paid	(48,874)	(46,148)	(32,729)	(23,408)
At 31 December	708,012	636,821	579,049	534,016

Movements in the present value of the plan assets in the current period were as follows:

	THE GROUP AND THE COMPANY			
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2006 Rs'000
At 1 January	483,034	602,997	503,122	390,830
Expected return on plan assets	49,860	62,408	52,437	40,521
Actuarial gains	50,330	(156,482)	58,606	73,286
Contributions from the employer	31,390	27,530	28,887	28,160
Benefits paid	(48,874)	(46,148)	(32,730)	(23,408)
Cost of insuring risk benefits	(5,368)	(5,486)	(5,548)	(4,822)
Scheme expenses	(1,669)	(1,785)	(1,777)	(1,445)
At 31 December	558,703	483,034	602,997	503,122

17. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(a) **Defined benefit plan (cont'd)**

The major categories of plan assets, and the expected rate of return at the reporting date for each category, is as follows:

	Expected rate of return at				Fair value of plan assets			
	31.12 2009 %	31.12 2008 %	31.12 2007 %	31.12 2006 %	2009 Rs'000	2008 Rs'000	2007 Rs'000	2006 Rs'000
Local equities	13	13	16	16	229,068	198,044	301,499	212,834
Overseas equities	13	13	14	14	184,372	159,401	186,929	181,071
Fixed interest	10	10	10	10	145,263	125,589	114,569	109,217
Total market value of assets					558,703	483,034	602,997	503,122
Present value of plan liability					(708,012)	(636,821)	(579,049)	(534,016)
(Deficit)/surplus					(149,309)	(153,787)	23,948	(30,894)
Unrecognised actuarial loss					60,684	69,544	(141,971)	(94,473)
					(88,625)	(84,243)	(118,023)	(125,367)

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The Directors' assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset in the next twelve months.

The assets of the plan are invested in funds managed by Confident Asset Management (CAM) and IPRO. The asset value managed by each fund manager reflects the actual performance of the underlying assets.

The breakdown of the assets above correspond to the actual allocation of the monies managed by both CAM and IPRO.

In terms of the individual expected returns, the expected return on equities has been based on an equity risk premium above a risk free rate. The risk free rate has been measured in accordance to the yields on government bonds at the measurement date.

The fixed interest portfolio includes government bonds, debentures, mortgages and cash. The expected return for this asset class has been based on yields of government bonds at the measurement date.

The history of experience adjustments is as follows:

	2009 Rs'000	2008 Rs'000	2007 Rs'000	2006 Rs'000	2005 Rs'000
Present value of defined benefit obligation	(708,012)	(636,821)	(579,049)	(534,016)	(490,809)
Fair value of plan assets	558,703	483,034	602,997	503,122	390,830
(Deficit)/surplus	(149,309)	(153,787)	23,948	(30,894)	(99,979)
Experience losses on plan liabilities	(41,928)	(27,073)	(8,113)	(1,818)	3,394
Experience gains/(losses) on plan assets	50,330	(156,482)	58,606	73,286	18,361

The Group expects to make a contribution of Rs 25M to the defined benefit plans during the next financial year.

17. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(a) **Defined benefit plan (cont'd)**

The principal actuarial assumptions used for accounting purposes were:

	2009	2008
Discount rate	10.0%	10.5%
Expected return on plan assets	10.5%	10.5%
Future long-term salary increases	8.0%	8.0%
Post retirement mortality tables increases	age 90	age 90

Retirement benefit obligations have been based on the report dated 1 March 2010 submitted by The Anglo-Mauritius Assurance Society Ltd.

(b) **Other retirement benefits**

Other retirement benefits comprise of Employment Rights Act gratuities.

Amounts recognised in the statements of financial position:

	THE GROUP			THE COMPANY		
	2009	2008	2007	2009	2008	2007
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Present value of unfunded obligations	34,544	28,361	26,140	-	-	-

Amounts recognised in the statements of comprehensive income:

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Amount expensed	6,183	2,507	-	-

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FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(b) **Other retirement benefits** (cont'd)

Movements in the liability recognised in the statements of financial position:

	THE GROUP			THE COMPANY		
	2009	2008	2007	2009	2008	2007
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 January	28,361	26,140	24,590	-	-	-
Total expense as above	6,183	2,507	1,550	-	-	-
On disposal of subsidiaries	-	(286)	-	-	-	-
At 31 December	34,544	28,361	26,140	-	-	-

(c) **Defined contribution pension fund**

	THE GROUP AND THE COMPANY	
	2009	2008
	Rs'000	Rs'000
Contributions expensed	17,720	15,204

(d) **State pension plan**

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
National Pension Scheme contributions expensed	21,663	18,591	5,032	5,076

18. BANK OVERDRAFTS

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Secured	281,585	168,707	152,153	-	-	-
Unsecured	1,734,296	2,305,981	1,831,805	1,734,296	2,305,981	1,831,805
	2,015,881	2,474,688	1,983,958	1,734,296	2,305,981	1,831,805

The bank overdrafts of subsidiary companies are secured by floating charges on their assets. The bank overdrafts are arranged at floating interest rates and the interest rates at 31 December 2009 are in note 31.

19. SHORT-TERM LOANS

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Loans repayable by instalments within one year (see note 16)	703,380	540,162	473,069	465,209	387,770	333,885
Deposits within one year	470,828	385,676	215,107	-	-	-
	1,174,208	925,838	688,176	465,209	387,770	333,885

20. TRADE AND OTHER PAYABLES

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Bills payable	514,707	598,762	1,013,329	493,757	543,659	906,197
Trade payables	1,941,431	1,944,367	1,507,324	234,747	473,186	289,687
Other payables and accruals	1,130,126	972,915	837,878	255,895	317,277	288,055
Amount owed to subsidiaries	-	-	-	335,665	222,215	216,411
Dividend payable	35,719	50,007	89,298	35,719	50,007	89,298
	3,621,983	3,566,051	3,447,829	1,355,783	1,606,344	1,789,648

The average credit period of trade payables is 2 months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

21. REVENUE

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
Revenue is analysed as follows:				
Sale of goods	10,901,407	10,603,922	1,697,890	1,951,445
Rendering of services	2,058,305	2,085,556	145,158	167,740
Commissions	249,135	220,100	74,932	82,415
	13,208,847	12,909,578	1,917,980	2,201,600

22. PROFIT FROM OPERATIONS

Profit from operations is arrived at after:

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
(a) **Crediting:**				
Dividends from subsidiaries	-	-	156,892	191,330
Dividends from associates	-	-	57,640	132,783
Dividends from available-for-sale investments	4,116	4,880	1,285	1,484
(Loss)/profit on disposal of property, plant and equipment	4,489	(6,065)	1,476	12,109
Profit/(loss) on disposal of subsidiaries	-	20,022	-	60,308
Profit/(loss) on disposal of associates	13,772	-	(7,298)	-
(Loss)/profit on disposal of available-for-sale investments	(3,258)	707	-	(607)
Other operating income	368,860	419,994	352,326	323,808
Net foreign exchange gain	98,510	128,506	105,231	112,873
(b) **Charging:**				
Cost of sales	10,519,700	10,653,468	1,470,140	1,705,263
Operating expenses				
- Administrative expenses	1,520,569	1,426,048	482,812	572,132
- Other operating expenses	704,882	787,251	276,777	283,500
Included in cost of sales are:				
Cost of inventories expensed	8,332,258	8,501,391	1,343,961	1,508,413
Included in operating expenses are:				
Depreciation and amortisation	384,569	311,810	50,502	58,140
Impairment losses recognised on receivables	14,375	83,084	5,163	68,296
Staff costs	1,124,012	964,143	389,891	393,061

23. NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
Interest payable on:				
Bank loans	136,174	161,772	107,353	104,042
Bank overdrafts	303,827	360,259	232,053	304,195
Other loans	26,982	26,938	27,995	39,754
	466,983	548,969	367,401	447,991
Interest receivable on loans and receivables	(13,506)	(15,569)	(209,781)	(266,294)
	453,477	533,400	157,620	181,697

24. TAXATION

(a) **Income tax**

Income tax is calculated at the rate of 15% (2008: 15%) on the profit for the year as adjusted for tax purposes. However, income tax has been provided in the financial statements solely for the subsidiary companies because the holding company has cumulative tax losses.

	THE GROUP	
	2009 Rs'000	2008 Rs'000
Tax expense	61,904	62,928

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FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

24. TAXATION (cont'd)

(b) **Tax reconciliation**

	THE GROUP		THE COMPANY	
	2009 %	2008 %	2009 %	2008 %
Normal rate of tax applicable to the Group/Company	15.00	15.00	15.00	15.00
Tax effects of:				
- Depreciation on revaluation surplus and on non-qualifying property, plant and equipment	0.07	0.44	0.06	0.36
- Depreciation on assets not qualifying for capital allowances	(0.05)	0.11	-	-
- Profit on disposal of non-qualifying assets	-	(0.39)	-	(0.52)
- Income not considered as taxable income	(17.27)	(0.72)	(13.11)	(13.93)
- Investment allowances (net of clawback)	-	0.17	-	-
- Expenses that are not deductible for tax purposes	1.95	7.15	0.82	5.17
- Expenses attributed to exempt income	0.12	0.75	-	-
- Income exempt from tax	(0.02)	0.37	(1.77)	(2.77)
- Share of profits of associates	6.09	(11.24)	-	-
- Revaluation reserve realised	0.21	0.18	-	-
- Deferred tax not recognised	-	(2.43)	(1.05)	(7.43)
Under provision of tax liability	(1.87)	3.89	-	-
Miscellaneous adjustments	0.54	4.17	0.05	4.12
Tax rate differential of subsidiary and associated companies	(0.64)	(1.67)	-	-
	(10.87)	0.78	(15.00)	(15.00)
Effective rate of taxation	4.13	15.78	-	-
	Rs'000	Rs'000	Rs'000	Rs'000
The estimated tax losses at the end of the year available to reduce future taxation is:	193,653	252,644	97,285	228,023

(c) **Deferred tax**

Computations for deferred taxation for the Group and the Company show a deferred tax asset which arises from the excess tax losses available to reduce future taxation over taxable temporary differences. Deferred tax asset has not been recognised due to uncertainty regarding availability of taxable profit.

25. DIVIDENDS

	THE GROUP AND THE COMPANY	
	2009 Rs'000	2008 Rs'000
Interim dividend of 50 cents per share (2008: 50 cents per share) in respect of current year	35,719	35,719
Final dividend of 50 cents per share (2008: 70 cents per share) in respect of current year	35,719	50,007
Dividend in-specie (note 9)	1,989,852	-
	2,061,290	85,726

On 19 November 2009, the Board of Directors approved the distribution of all the shares held by Ireland Blyth Limited ("IBL") in Sun Resorts Ltd ("SRL") in the form of a dividend in specie to shareholders of IBL registered at the close of business on 4 December 2009, in proportion to their respective shareholdings in IBL.

27,636,825 SRL shares were distributed in the proportion of 0.386862 SRL share for each IBL share held, rounded down to the nearest integer (any entitlement to fractional shares being paid in cash). The above distribution was effective on 14 December 2009 and the surplus arising on distribution of the investment was recognised in the statements of comprehensive income.

26. CASH FLOW INFORMATION

(a) **Reconciliation of Profit before Taxation to cash generated from operations**

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
Profit before Taxation	1,498,653	398,866	1,829,262	293,096
Adjustments for:				
Depreciation and amortisation	384,569	311,810	50,502	58,140
Share of profits less losses of associated companies	(134,617)	(321,411)	-	-
(Profit)/loss on disposal of property, plant and equipment	(4,489)	6,065	(1,476)	(12,109)
(Profit)/loss on sale of investments	(10,514)	(21,336)	7,298	(60,308)
Surplus arising on distribution of investment	(867,328)	-	(1,631,079)	-
Investment income	(4,116)	(4,880)	(215,817)	(325,597)
Interest expense	466,983	548,969	367,401	447,991
Exchange difference	(5,540)	15,532	-	-
Interest receivable	(13,506)	(15,569)	(209,781)	(266,294)
Net life insurance fund	78,473	67,880	-	-
Adjustment to opening balances	2,596	2,617	-	-
Investments written off/Impaired	5,304	607	3,488	607
Operating profit/(loss) before working capital changes	1,396,468	989,150	199,798	135,526
Increase/(decrease) in trade and other payables	176,840	452,079	(295,439)	178,941
(Increase)/decrease in trade and other receivables	158,800	(68,536)	(101,455)	74,026
(Increase)/decrease in inventories	(184,258)	(330,779)	113,877	(81,501)
Cash generated from operations	1,547,850	1,041,914	(83,219)	306,992

26. CASH FLOW INFORMATION (cont'd)

(b) **Cash and cash equivalents are analysed as follows:**

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Cash resources	292,495	275,885	428,931	52,405	131,956	192,347
Bank overdrafts	(2,015,881)	(2,474,688)	(1,983,958)	(1,734,296)	(2,305,981)	(1,831,805)
	(1,723,386)	(2,198,803)	(1,555,027)	(1,681,891)	(2,174,025)	(1,639,458)

(c) **Disposal of subsidiaries**

	2009 Rs'000	2008 Rs'000
Property, plant and equipment	-	11,117
Investment property	-	665,000
Goodwill	-	21,772
Stocks	-	474
Trade and other receivables	-	13,434
Bank overdrafts net of balances and cash	-	53,811
Trade and other payables	-	(8,533)
Taxation	-	(200)
Loans	-	(244,168)
Minority interests	-	(88,618)
	-	424,089
Profit on disposal	-	20,022
Total consideration	-	444,111
Net cash inflow arising on disposal:		
Cash consideration	-	444,111
Bank overdrafts net of balances and cash, disposed of	-	(53,811)
	-	390,300

26. CASH FLOW INFORMATION (cont'd)

(d) **Acquisition of subsidiaries and non-controlling interests**

(i) Subsidiaries acquired

	Principal activities	Effective dates acquired	Effective proportion of shares acquired	Cost of acquisition 2009 Rs'000	Cost of acquisition 2008 Rs'000
Knights and Johns Management Ltd (KJM)	Offshore Management	22 February 2008	40.80%	-	74,772
Interface Management Services Ltd	Offshore Management	22 February 2008	40.80%	-	517
Legis (now Interface International Ltd) (Legis)*	Offshore Management	22 February 2008	40.80%	-	-
Fit-Out (Mauritius) Ltd	Manufacture of furniture and roof structure	26 June 2007	60.40%	-	-
				-	75,289

* *Legis was acquired through acquisition of KJM.*

(ii) Non-controlling interests

	Principal activities	Effective dates acquired	Effective proportion of shares acquired	Cost of acquisition 2009 Rs'000	Cost of acquisition 2008 Rs'000
Knights and Johns Management Ltd (KJM)	Offshore Management	23 April 2009	27.15%	43,866	-
Interface Management Services Ltd	Offshore Management	23 April 2009	27.15%	183	-
Interface International Ltd	Offshore Management	23 April 2009	27.15%	-	-
DTOS Ltd	Offshore Management	30 November 2009	10.00%	70,783	-
				114,832	-

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FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

26. CASH FLOW INFORMATION (cont'd)

(d) **Acquisition of subsidiaries and non-controlling interests (cont'd)**

(iii) Analysis of assets and liabilities on acquisition of subsidiaries

	Book and fair value on acquisition 2009 Rs'000	Book and fair value on acquisition 2008 Rs'000
Current assets		
Debtors and prepayments	-	117,105
Taxation	-	266
Non-current assets		
Property, plant and equipment	-	6,615
Current liabilities		
Creditors and accruals	-	(100,327)
Bank overdraft	-	(15,888)
Obligations under finance leases	-	(3,006)
	-	4,765
Share of minority interests	-	(44,937)
Purchase of minority interests	-	(70,243)
Goodwill	-	185,704
Total consideration	-	75,289

(iv) Net cash outflow on acquisition of subsidiaries

	2009 Rs'000	2008 Rs'000
Cash consideration	-	75,289
Bank balances, net of bank overdrafts	-	15,888
	-	91,177

(v) Impact of acquisition on the results of the Group

Included in the profit for the year ended 31 December 2008 was Rs28M attributable to the additional business generated by Knights & Johns Management Ltd, Interface Management Services Ltd, Fit-Out (Mauritius) and Legis (International Financial & Management) Services Ltd.

Had the business combination been effected at 1 January 2008, the revenue and profit of the Group for the year ended 31 December 2008 would not have changed significantly.

27. EARNINGS PER SHARE

Earnings per share is based on earnings attributable to ordinary shareholders of Rs 1,361.4M (2008: Rs 300M) and on 71,438,333 ordinary shares in issue during the two years ended 31 December 2009.

28. SEGMENTAL INFORMATION - GROUP

The Group has adopted IFRS 8, Operating Segments, with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The adoption of IFRS 8 has not changed the reportable segments identified previously under IAS 14, Segment Reporting. The Group's reportable segments under IFRS 8 are:

- Financial Services;
- Logistics, Engineering & Commerce;
- Retail;
- Seafood & Marine; and
- Corporate Services & Others.

(i) Segment revenues and results

2009	Financial Services Rs'000	Logistics, Engineering & Commerce Rs'000	Retail Rs'000	Seafood & Marine Rs'000	Corporate Services & Others Rs'000	Total Rs'000
Revenue	1,285,527	5,501,380	3,404,093	2,965,748	52,099	13,208,847
Results						
Segment result	167,689	476,345	93,839	302,347	(90,035)	950,185
Finance costs						(466,983)
Finance income						13,506
Surplus arising on distribution of investment						867,328
Share of profits less losses of associates						134,617
Profit before Taxation						1,498,653
Taxation						(61,904)
Profit for the year						1,436,749

28. SEGMENTAL INFORMATION - GROUP (cont'd)

(i) Segment revenues and results (cont'd)

2008	Financial Services Rs'000	Logistics, Engineering & Commerce Rs'000	Retail Rs'000	Seafood & Marine Rs'000	Corporate Services & Others Rs'000	Total Rs'000
Revenue	1,296,803	5,371,965	2,937,659	3,215,499	87,652	12,909,578
Results						
Segment result	171,286	447,404	80,959	93,499	(182,293)	610,855
Finance costs						(548,969)
Finance income						15,569
Share of profits less losses of associates						321,411
Profit before Taxation						398,866
Taxation						(62,928)
Profit for the year						335,938

Revenue reported above represents revenue generated from external customers.

(ii) Segment assets and liabilities

2009	Financial Services Rs'000	Logistics, Engineering & Commerce Rs'000	Retail Rs'000	Seafood & Marine Rs'000	Corporate Services & Others Rs'000	Total Rs'000
Assets						
Segment assets	2,476,714	3,365,495	1,045,249	3,435,555	1,592,024	11,915,037
Investments in associates						799,613
Consolidated total assets						12,714,650
Liabilities						
Segment liabilities (including Life Assurance Fund)	2,390,204	2,367,129	836,735	3,609,662	279,010	9,482,740
Taxation						41,628
						9,524,368

28. SEGMENTAL INFORMATION - GROUP (cont'd)

(ii) Segment assets and liabilities (cont'd)

2008	Financial Services Rs'000	Logistics, Engineering & Commerce Rs'000	Retail Rs'000	Seafood & Marine Rs'000	Corporate Services & Others Rs'000	Total Rs'000
Assets						
Segment assets	2,437,131	3,481,704	996,346	3,595,023	1,255,903	11,766,107
Investments in associates						1,811,075
Consolidated total assets						13,577,182
Liabilities						
Segment liabilities (including Life Assurance Fund)	2,137,683	2,695,688	832,523	3,726,192	216,632	9,608,718
Taxation						42,515
						9,651,233

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than investments in associates. Goodwill is allocated to reportable segments as described in note 7. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than current tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

(iii) Other segment information

(a) Capital additions and depreciation and amortisation

	Financial Services Rs'000	Logistics, Engineering & Commerce Rs'000	Retail Rs'000	Seafood & Marine Rs'000	Corporate Services & Others Rs'000	Total Rs'000
2009						
Capital additions (including computer software)	193,692	119,783	30,665	146,050	52,755	542,945
Depreciation and amortisation	67,321	105,731	52,407	113,421	45,689	384,569
2008						
Capital additions (including computer software)	104,411	131,316	241,493	440,596	8,507	926,323
Depreciation and amortisation	46,376	81,804	41,709	90,361	51,560	311,810

28. SEGMENTAL INFORMATION - GROUP (cont'd)

(iii) Other segment information (cont'd)

(b) Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

		2009 Rs'000	2008 Rs'000
Financial Services	- Insurance and Leasing and Management Services	1,285,527	1,296,803
Logistics, Engineering	- Freight Forwarding	349,057	363,148
& Commerce	- Contracting	1,981,568	2,114,606
	- Consumer Goods	1,714,258	1,554,966
Retail		3,404,093	2,937,659
Seafood & Marine	- Tuna Processing	2,541,862	2,816,596
Others		1,932,482	1,825,800
		13,208,847	12,909,578

(c) Information about major customers

The Group does not have any one single external customer to whom sales of goods and services amounted to 10% or more of the Group's total turnover.

(d) Geographical information

The Group's operations are located in Mauritius, Madagascar, Seychelles and Comoros.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales revenue 2009 Rs'000	Sales revenue 2008 Rs'000
Mauritius	10,359,458	10,053,552
Europe	2,367,096	2,707,660
USA	209,519	108,936
Madagascar	67,615	39,430
Dubai	205,159	-
	13,208,847	12,909,578

28. SEGMENTAL INFORMATION - GROUP (cont'd)

(iii) Other segment information (cont'd)

(d) Geographical information (cont'd)

The following is an analysis of the carrying amount of non-current assets analysed by the geographical area in which the assets are located:

	Non-current assets	
	2009 Rs'000	2008 Rs'000
Mauritius	6,010,106	5,944,311
Madagascar, Comoros, Seychelles & Reunion	20,024	17,300
Dubai	3,667	-
	6,033,797	5,961,611

The non-current assets exclude investment in associates.

29. OPERATING LEASE ARRANGEMENTS

The Group as lessee	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
Minimum lease payments under operating lease recognised as an expense in the year	22,658	22,260	9,173	4,920

At the statement of financial position date, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
- Within one year	22,862	22,712	9,907	8,649
- In the second to fifth years inclusive	48,591	55,919	24,803	27,189
- After five years	324,071	333,711	38,289	42,654
	395,524	412,342	72,999	78,492

Operating lease payments represent rentals payable by the Group for its leasehold properties (lease terms of between 1 to 70 years) and plant and equipment (lease terms of 6 years).

All operating lease contracts contain market renew clauses in the event that the Group exercises its option to renew. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

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FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

29. OPERATING LEASE ARRANGEMENTS (cont'd)

The Group as a lessor

The Group rents out the following plant and equipment under operating leases:

	Cost Rs'000	Accumulated depreciation Rs'000	Net book value Rs'000
Plant and machinery	85,409	21,023	64,386
Motor vehicles	165,002	46,587	118,415
	250,411	67,610	182,801

Rental income earned during the year was Rs 74,796,404 (2008: Rs 46,768,669) and no direct operating expenses were incurred for both years.

The plant and equipment are expected to generate a yield ranging from 11.5% to 14% for plant and machinery and 9.5% to 14% for motor vehicles on an ongoing basis. All of these plant and equipment held have committed tenants for the next 2 to 5 years.

At the statement of financial position date, the Group has contracted with tenants for the following future minimum lease payments:

	2009 Rs'000	2008 Rs'000
- Within one year	34,407	24,176
- In the second to the fifth years inclusive	112,555	70,937
	146,962	95,113

Operating lease contracts contain market review clauses. The lease terms vary between 5 and 6 years with an option for renewal.

30. RELATED PARTY TRANSACTIONS

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
(i) *Sales of goods and services*				
Sales of goods:				
Subsidiaries	-	-	297,928	291,933
Associates	152,424	394,324	28,231	56,871
Corporate groups having significant influence	13,255	16,475	11,747	15,734
Sales of services:				
Subsidiaries (Corporate services)	-	-	204,339	167,683
Subsidiaries (Interest)	-	-	198,124	250,725
Associates (Secretarial and other services)	5,613	19,822	5,613	19,822
(ii) *Purchases of goods and services*				
Purchases of goods:				
Subsidiaries	-	-	154,135	223,730
Associates	52,184	36,349	775	25
Purchases of services				
Subsidiaries	-	-	108,242	38,073
Corporate groups having significant influence (management services)	3,833	4,000	3,833	4,000
(iii) *Compensation of key management personnel*				
Key management personnel (including Directors)				
Short-term benefits	163,198	114,007	163,198	114,007
Post-employment benefits	8,809	8,680	8,809	8,680
Provision for incentive bonus (see note below)	-	11,150	-	11,150
	172,007	133,837	172,007	133,837

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
(iv) *Outstanding balances*						
Receivables from related parties						
Subsidiaries	-	-	-	1,978,595	2,452,078	2,459,976
Associates (included in trade receivables)	-	31,544	10,643	-	31,544	10,643
Payables to related parties						
Subsidiaries	-	-	-	335,665	222,215	216,411
(v) *Pension contributions to pension plans*	49,110	53,395	51,969	49,110	53,395	51,969

30. RELATED PARTY TRANSACTIONS (cont'd)

Note

Incentive bonus relates to remuneration calculated by reference to the increase in the Company's share price during the period.

Amounts receivable from subsidiaries bear interest at 9.75% p.a. (2008: 11% p.a. and 2007: 13.5% p.a.), are unsecured and do not have any fixed terms of repayment.

Amounts receivable from associates and payable to/receivable from subsidiaries are interest free, unsecured and do not have any fixed terms of repayment.

31. FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2008.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

Gearing ratio

The Group has a target gearing ratio of 100% determined as the proportion of net debt to equity.

The gearing ratio at the year end was as follows:

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Debt (i)	2,309,823	2,266,815	2,966,257	1,485,273	1,458,025	1,950,148
Cash and cash equivalents	1,723,386	2,198,803	1,555,027	1,681,891	2,174,025	1,639,458
Net debt	4,033,209	4,465,618	4,521,284	3,167,164	3,632,050	3,589,606
Equity	3,190,282	3,925,949	3,749,202	1,946,056	2,976,866	5,088,123
Net debt to equity ratio	1.3	1.1	1.2	1.6	1.2	0.7

(i) Debt is defined as long and short term borrowings excluding borrowings relating to the Group's leasing operations.

31. FINANCIAL INSTRUMENTS (cont'd)

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Financial assets						
Loans and receivables (including cash and cash equivalents)	4,695,781	4,987,240	5,126,256	2,953,854	3,435,483	3,525,878
Available-for-sale financial assets	351,953	229,754	236,999	460,764	1,641,929	3,931,888
Financial liabilities						
Borrowings carried at amortised cost	8,772,352	8,983,717	8,735,424	4,073,268	4,795,960	4,527,717

Financial risk management

The Group operates a Corporate Treasury function which provides services to the sectors of activity within the Group. It also manages the Group's exposure to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group manages its exposure to interest rate and foreign currency risk by use of a proper mix in fixed and floating rate borrowings and use of natural hedging.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

31. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management (cont'd)

Foreign currency risk management (cont'd)

The currency profile of the financial assets and financial liabilities is summarised as follows:

	THE GROUP		THE COMPANY	
	Financial assets Rs'000	Financial liabilities Rs'000	Financial assets Rs'000	Financial liabilities Rs'000
2009				
Currency				
Mauritian rupee	3,672,406	7,438,666	3,238,603	3,886,356
United States dollar	631,379	461,758	27,658	24,284
Euro	532,809	696,882	137,667	118,183
Others	211,140	175,046	10,690	44,445
	5,047,734	8,772,352	3,414,618	4,073,268
2008				
Currency				
Mauritian rupee	3,677,804	7,392,649	4,844,389	4,442,582
United States dollar	737,304	697,694	181,202	143,427
Euro	654,216	670,468	47,007	116,164
Others	147,670	222,906	4,814	93,787
	5,216,994	8,983,717	5,077,412	4,795,960
2007				
Currency				
Mauritian rupee	4,249,976	7,855,793	7,172,712	3,967,621
United States dollar	356,345	313,397	102,375	245,407
Euro	590,557	397,303	149,844	239,237
Others	166,377	168,931	32,835	75,452
	5,363,255	8,735,424	7,457,766	4,527,717

The Group is mainly exposed to USD and Euro.

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the relevant currency strengthens 5% against the Rupee. There would be an equal and opposite impact on the profit and other equity where the relevant currency weakens 5% against the Rupee, and the balances below would be negative.

31. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management (cont'd)

Foreign currency risk management (cont'd)

US DOLLAR IMPACT

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Profit or loss	10,924	3,852	(3,619)	169	1,889	(7,152)
Other equity	436	4,277	8,258	-	-	-

EURO IMPACT

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Profit or loss	(9,491)	(1,295)	9,747	974	(3,458)	(4,470)
Other equity	1,764	628	2,703	-	-	-

The above is mainly attributable to:

(i) The exposure in relation to the net working capital in USD and Euro.
(ii) The translation of subsidiary companies whose functional currencies are in USD and Euro.

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates.

The interest rate profile of the Group at 31 December 2009 was:

Financial assets

	Balances with banks	Mortgage and policy loans	Finance lease receivables
	Interest rate %	*Interest rate %*	*Interest rate %*
GBP	-	-	-
EURO	-	-	6.00%
USD	-	-	-
MRs	-	8.00% - 11.00%	10.25% - 13.50%

Financial liabilities

	Bank overdrafts	Deposits and loans	
	Floating interest rate %	*Fixed interest rate %*	*Floating interest rate %*
GBP	LIBOR 1 Mth + 1.5%	-	-
EURO	LIBOR 1 Mth + 1.0% to 2.75%	-	EURIBOR 1 Mth + 1.75%
USD	LIBOR 1 Mth + 1.0% to 2.75%	-	-
MRs	8.05% - 9.5%	5.75% - 13.75%	5.00% - 10.00%

31. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management (cont'd)

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates at the statement of financial position date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the statement of financial position date was outstanding for the whole year.

If interest rates had been 25 basis points higher, the effect on Profit would have been as follows:

	THE GROUP			THE COMPANY		
	2009 Rs'000	2008 Rs'000	2007 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Profit/(loss)	10,151	11,121	10,965	4,430	4,386	4,498

Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5% higher/lower:

- Net profit for the year ended 31 December 2009 would have been unaffected as the equity investments are classified as available-for-sale; and

- Other equity reserves would decrease/increase by Rs 12,434,668 (2008: other equity reserves would decrease/increase by Rs 6,459,366) (2007: other equity reserves would increase/decrease by Rs 8,418,137) for the Group as a result of the changes in fair value of available-for-sale shares.

31. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management (cont'd)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar charateristics. The Group defines counterparties as having similar characteristics if they are related entities.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who monitors the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

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FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

31. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management (cont'd)

Liquidity and interest risk tables (cont'd)

	THE GROUP			
	Less than 1 year Rs'000	1-5 years Rs'000	5+ years Rs'000	Total Rs'000
2009				
Non-interest bearing	3,072,421	-	-	3,072,421
Finance lease liability	49,912	84,746	707	135,365
Variable interest rate instruments	3,233,468	1,047,131	29,007	4,309,606
Fixed interest rate instruments	471,328	688,384	95,248	1,254,960
	6,827,129	1,820,261	124,962	8,772,352
2008				
Non-interest bearing	2,935,892	-	-	2,935,892
Finance lease liability	46,491	137,308	632	184,431
Variable interest rate instruments	3,611,994	934,351	79,762	4,626,107
Fixed interest rate instruments	387,926	754,113	95,248	1,237,287
	6,982,303	1,825,772	175,642	8,983,717
2007				
Non-interest bearing	3,080,008	-	-	3,080,008
Finance lease liability	41,727	174,803	3,014	219,544
Variable interest rate instruments	2,798,005	1,106,067	113,665	4,017,737
Fixed interest rate instruments	217,357	880,384	320,394	1,418,135
	6,137,097	2,161,254	437,073	8,735,424

	THE COMPANY			
	Less than 1 year Rs'000	1-5 years Rs'000	5+ years Rs'000	Total Rs'000
2009				
Non-interest bearing	853,700	-	-	853,700
Finance lease liability	2,962	10,133	142	13,237
Variable interest rate instruments	2,670,910	200,574	334,347	3,205,831
Fixed interest rate instruments	500	-	-	500
	3,528,072	210,707	334,489	4,073,268
2008				
Non-interest bearing	1,031,953	-	-	1,031,953
Finance lease liability	3,800	11,045	718	15,563
Variable interest rate instruments	3,235,161	510,533	-	3,745,694
Fixed interest rate instruments	2,250	500	-	2,750
	4,273,164	522,078	718	4,795,960
2007				
Non-interest bearing	745,764	-	-	745,764
Finance lease liability	2,298	10,002	683	12,983
Variable interest rate instruments	3,069,637	654,577	39,756	3,763,970
Fixed interest rate instruments	2,250	2,750	-	5,000
	3,819,949	667,329	40,439	4,527,717

31. FINANCIAL INSTRUMENTS (cont'd)

Fair value of financial instruments

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;

- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Quoted price

Financial assets in this category include available-for-sale investments.

Fair value using discounted cash flow analysis

The financial statements do not include financial assets and financial liabilities measured at fair value using discounted cash flow analysis.

Fair value estimation

Under revised IFRS 7, the Group is required to classify fair value measurements of its financial assets and financial liabilities at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (Unadjusted) in active makers for identical assets or liabilities;

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and

- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

31. FINANCIAL INSTRUMENTS (cont'd)

Fair value of financial instruments (cont'd)

Fair value estimation (cont'd)

THE GROUP

	Available-for-sale investments Rs'000
Hierarchy levels	
- Level 1	107,995
- Level 3	243,958
	351,953

THE COMPANY	Available-for-sale investments Rs'000
Hierarchy levels	
- Level 1	17,288
- Level 3	443,476
	460,764

The Group does not state any of its financial liabilities at fair value.

32. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
Authorised but not contracted for	257,710	217,556	65,570	56,197

33. CONTINGENT LIABILITIES

There are contingent liabilities for bank guarantees given by the Company to third parties in the normal course of business amounting to Rs 172M (2008: Rs 317M). The Directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

34. CONSTRUCTION CONTRACTS

The Group is making the following disclosures in respect of construction contracts:

	2009 Rs'000	2008 Rs'000
(i) Contract revenue	396,822	218,970
(ii) In respect of construction contracts in progress at Balance Sheet date:		
(a) Retentions held by customers (included in trade and other receivables)	15,897	10,941
(b) Advances received from customers (included in trade and other payables)	236,010	43,743
(c) Net amount due for contract works:		
Amount due from customers (included in trade and other receivables)	180,034	90,428
Amount due to customers (included in trade and other payables)	(236,010)	(43,743)
	(55,976)	46,685
Contracts cost incurred plus recognised profits less recognised losses to date	396,822	218,970
Less: Progress billings	(452,798)	(172,285)
	(55,976)	46,685

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35. (A) SUBSIDIARY COMPANIES

	Class of shares held	Main activity	Ireland Blyth Limited % Holding	Other Group Companies Effective % Holding
Adam and Company Limited*	Ordinary	Commerce	-	100.00
Alkore Chemicals (Mauritius) Ltd*	"	Chemicals	100.00	-
Blyth Brothers and Company Limited*	"	Merchant	100.00	-
Blychem Limited	"	Chemicals	100.00	-
Blymetal Limited**	"	Manufacturing	100.00	-
Blytronics Limited	"	Manufacturing	100.00	-
Calendula Limited**	"	Property	100.00	-
Cassis Limited*	"	Manufacturing	100.00	-
Cervonic Ltd	"	Manufacturing	-	72.00
Colonial Hotel Boutiques Limited**	"	Commerce	100.00	-
Construction & Material Handling Company Ltd	"	Handling equipment	100.00	-
DTOS Ltd	"	Global business services	-	90.00
DTOS International Ltd	"	Global business services	-	90.00
DTOS Trustees Ltd	"	Global business services	-	90.00
Egeco Limited**	"	Mechanical	-	100.00
Egeria Fishing Co Ltd**	"	Fishing	100.00	-
Equip and Rent Company Ltd	"	Rental of equipment	100.00	-
Fish Meal Producers Limited	"	Manufacturing	75.00	-
Fit-Out (Mauritius) Ltd	"	Manufacturing	-	60.40
Froid des Mascareignes Limited	"	Storage	-	56.00
Grapevine Limited	"	IT Services	100.00	-
General Refuse Enterprise for Environmental Needs Ltd	"	Waste removal	-	100.00
G S P Co Ltd	"	Manufacturing	-	100.00
Hall Geneve Langlois Limited**	"	Commerce	100.00	-
IBL Aviation s.a.r.l.	"	Tourism	-	100.00
IBL Aviation Comores s.a.r.l.	"	Tourism	-	100.00
IBL Comores s.a.r.l.	"	Tourism	100.00	-
IBL Consumer Health Products Ltd	"	Healthcare	100.00	-
IBL Energie Ltée**	"	Investment	67.00	-
IBL Entertainment Ltd*	"	Commerce	-	100.00
IBL Entertainment Holding Ltd	"	Investment	100.00	-
IBL Equipment Rental Ltd	"	Rental of equipment	100.00	-
IBL Financial Services Holding Ltd	"	Investment	100.00	-
IBL Fishing Company Ltd	"	Shipping	100.00	-
IBL Forex Company Ltd*	"	Foreign Exchange	100.00	-
IBL Foundation	-	CSR	100.00	-
IBL Impex Ltd**	Ordinary	Freeport	100.00	-
IBL International Ltd	"	Investment	100.00	-
IBL Madagasikara S.A.	"	Commerce	90.00	-
IBL Properties Ltd	"	Property	100.00	-
IBL Regional Development Ltd	"	Investment	100.00	-
IBL Reunion s.a.s.	"	Courier Services	-	100.00
IBL Santé s.a.r.l.	"	Healthcare	90.00	10.00
IBL Training Services Ltd*	"	Training	100.00	-
IBL Travel Limited	"	Travel agency	100.00	-
IBL Travel s.a.r.l.*	"	Travel agency	-	100.00
Indian Ocean Dredging Ltd*	"	Marine works	100.00	-

** companies are inactive*
*** companies are in process of de-registration*

35. (A) SUBSIDIARY COMPANIES (cont'd)

	Class of shares held	Main activity	Ireland Blyth Limited % Holding	Other Group Companies Effective % Holding
Indian Ocean Logistics Ltd	Ordinary	Clearing & Forwarding	100.00	-
Indico Canning Ltd	"	Manufacturing	-	54.40
Interface International Ltd	"	Global business services	-	67.95
Interface Management Services Ltd	"	Global business services	-	67.95
I-Consult Limited	"	IT Services	100.00	-
I-Consult International Ltd**	"	IT Services	100.00	-
Ireland Blyth (Engineering) Ltd**	"	Commerce	-	100.00
Ireland Blyth (Informatics) Ltd**	"	Commerce	-	100.00
Ireland Blyth (Seychelles) Ltd*	"	Investment	100.00	-
Ireland Fraser and Company Limited*	"	Commerce	100.00	-
Ireland Fraser (Madagascar) SARL*	"	Commerce	-	100.00
I-Telecom Ltd	"	IT Services	100.00	-
Island Coal Ltd**	"	Trading of coal	78.43	-
Knights & Johns Management Ltd	"	Global business services	-	67.95
Koho Boards Ltd*	"	Manufacturing	-	80.00
Logidis Limited	"	Warehousing	100.00	-
Logidis Services Ltd*	"	Freeport Services	100.00	-
Mad Courrier SARL	"	Courrier Services	-	92.50
Mada Aviation SARL	"	GSA	-	100.00
Manser Saxon Aluminium Ltd	"	Manufacturing	-	80.00
Manser Saxon Environment Ltd*	"	Construction	-	80.00
Manser Saxon Plumbing Ltd	"	Manufacturing	-	80.00
Manser Saxon Contracting Ltd	"	Manufacturing & Contracting	80.00	-
Manser Saxon Dubai LLC	"	Manufacturing	-	72.80
Manser Saxon Export Ltd**	"	Manufacturing	-	80.00
Manser Saxon Openings Ltd	"	Manufacturing	-	80.00
Manufacturing and Industrial Development Corporation Limited**	"	Investment	-	100.00
Marine Biotechnology Products Ltd	"	Manufacturing	-	80.00
Mauritian Eagle Insurance Company Limited	"	Insurance	60.00	-
Mauritian Eagle Leasing Co Ltd	"	Leasing & deposit taking	49.00	30.60
Medical Trading Company Ltd	"	Healthcare	100.00	-
Medical Trading International Ltd	"	Healthcare	100.00	-
New Cold Storage Company Limited	"	Distribution	100.00	-
Pick and Buy Limited	"	Supermarkets	100.00	-
Pines Ltd	"	Global business services	-	90.00
Plastic Recycling Co Ltd*	"	Manufacturing	100.00	-
Riche Terre Development Limited	"	Property	100.00	-
Riche Terre Electricals Ltd**	"	Manufacturing	-	80.00
Rodrigues Speciality Products Ltd**	"	Trading	100.00	-
Saxon International Ltd	"	Investment	-	80.00
Scomat Limitée	"	Industrial & Mechanical	100.00	-
SCP Ltd**	"	Property	-	99.00
Seafood Hub Ltd	"	Investment	80.00	-
Seaways Marine Supplies Ltd	"	Shipping	100.00	-
Société de Traitement et d'Assainissement des Mascareignes Ltée*	"	Processing of Waste	100.00	-
Société de Transit Aérien et Maritime SARL*	"	Clearing & Forwarding	-	85.50
Société Immobilière IBL Tana SARL	"	Property	-	100.00
Société Mauricienne d'Exploitation des Eaux Ltée**	"	Waste Water Treatment	-	80.00
Société Mauricienne de Navigation Limitée*	"	Service Provider	100.00	-
Somatrans SDV Ltd	"	Clearing & Forwarding	75.00	-
Somatrans SDV Logistics Ltd	"	Clearing & Forwarding	-	75.00

* Companies are inactive
**Companies are in process of de-registration

35. (A) SUBSIDIARY COMPANIES (cont'd)

	Class of shares held	Main activity	Ireland Blyth Limited % Holding	Other Group Companies Effective % Holding
Southern Seas Shipping Company Limited	Ordinary	Shipping	100.00	-
Star Cruise Ltd**	"	Investment	100.00	-
Strategic Supply Ltd**	"	Merchandising	100.00	-
Thon des Mascareignes Ltée	"	Manufacturing	-	80.00
Tornado Engineering Ltd**	"	Manufacturing	-	80.00
Tornado Limited	"	Manufacturing	-	80.00
Tourism Services International Limited	"	Tourism	100.00	-
Transfroid Limited	"	Clearing & forwarding	-	56.00
Trianon Development Ltd	"	Investment	100.00	-
Tuna Mascarene S.l.	"	Trading	-	100.00

NOTE:

All subsidiaries are incorporated in Mauritius except Ireland Blyth (Seychelles) Ltd, incorporated in the Seychelles, IBL Madagasikara s.a., IBL Santé s.a.r.l., IBL Travel s.a.r.l., Mad Courrier s.a.r.l., Mada Aviation s.a.r.l., Ireland Fraser (Madagascar) s.a.r.l., Société de Transit Aérien et Maritime s.a.r.l. and Société Immobilière IBL Tana s.a.r.l., incorporated in Madagascar, IBL Aviation Comores s.a.r.l., IBL Comores s.a.r.l., incorporated in the Comores, IBL Reunion s.a.s. incorporated in Reunion Island and Tuna Mascarene s.l., incorporated in Spain.

35. (B) ASSOCIATED COMPANIES

	Country of incorporation	Class of shares held	% Holding
Air Mascareignes Limitée	Mauritius	Ordinary	49.00
Australair General Sales Agency Ltd	Mauritius	"	49.00
Australair GSA Comores s.a.r.l.	Comoros	"	49.00
Australair GSA Mada s.a.	Madagascar	"	49.00
Catovair Comores s.a.r.l.	Comoros	"	49.00
Chantier Naval de l'Océan Indien Ltd	Mauritius	"	50.00
Cie Thonière de l'Ocean Indien Ltée	"	"	50.00
Compagnie des Travaux Maritimes des Mascareignes	"	"	25.00
Equity Aviation Indian Ocean Ltd	"	"	50.00
Fish Protein Producers Ltd	"	"	50.00
Industrie et Services de l'Océan Indien Limitée	"	"	50.00
Marine Electronics Co Ltd	"	"	20.00
Mauritius Coal and Allied Services Co Ltd	"	"	49.00
Mer des Mascareignes Limitée	"	"	50.00
Princes Tuna (Mauritius) Ltd	"	"	29.33
Profilage Ocean Indien Ltée	"	"	20.00
Scimat s.a.s.	Reunion	"	50.00
Trois Ilots Ltée	Mauritius	"	33.33

** companies are inactive*
*** companies are in process of de-registration*

35. (C) OTHER INVESTMENTS

Details of those companies other than subsidiary and associated companies, in which Ireland Blyth Limited holds a 10% interest or more, are:

	Class of Shares held	% Holding
Nouvelle Clinique du Bon Pasteur	Ordinary	12.50

Notes

Proxy Form

I/We, ____ of ________________________,

being a member of **IRELAND BLYTH LIMITED** do hereby appoint ____________________________

of ____, or in his absence ______________

____________________ of ____,

as my/our proxy, to vote for me/us and on my/our behalf at the Annual Meeting to be held on Monday 28 June 2010 and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

	For	Against	Abstain
1. To adopt the Minutes of the 37th Annual Meeting of the shareholders held on 19 June 2009.	O	O	O
2. To receive and adopt the Company's and Group's Financial Statements for the year ended 31 December 2009 and the Directors' and Auditors' reports thereon.	O	O	O
3. To ratify the dividend paid in April 2010 as a final dividend.	O	O	O
4. To re-appoint Messrs Kemp Chatteris Deloitte as Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.	O	O	O
5. To appoint Mr Christian de Juniac as Director.	O	O	O
6. To appoint Mr Jason Harel as Director.	O	O	O
7. To appoint Mr Michel Guy Rivalland as Director.	O	O	O
8. To re-appoint Mr J.Cyril Lagesse as Director in compliance with Section 138(6) of the Companies Act 2001.	O	O	O
9. To re-elect as Directors of the Company by way of separate resolutions to hold office until the next Annual Meeting, the following persons:	O	O	O
9.1 Mr Patrice d'Hotman de Villiers	O	O	O
9.2 Mr Bertrand Hardy	O	O	O
9.3 Mr Arnaud Lagesse	O	O	O
9.4 Mr Thierry Lagesse	O	O	O
9.5 Mr Gaetan Lan Hun Kuen	O	O	O
9.6 Mr Jean Ribet	O	O	O
9.7 Mr Louis Rivalland	O	O	O

Signed this ____________________ day of ________________ 2010

____

Signature/s

NOTES

1. *A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his own choice (whether a member or not) to attend and vote on his behalf.*

2. *Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will exercise his discretion as to how he votes.*

3. *This form of proxy, duly signed, to be effective must reach the Company Secretary at the registered office of the Company, IBL House, Caudan, Port Louis, at least twenty-four hours before the day of the meeting.*

Review of Operations

	Group Turnover (Rs M)		Group Profit from Operations (Rs M)	
	2009	2008	**2009**	2008
Financial Services	1,286	1,297	168	171
Logistics, Engineering & Commerce	5,501	5,372	476	447
Retail*	3,404	2,938	94	81
Seafood & Marine	2,966	3,215	302	94
Corporate Services & Others	52	88	(90)	(182)
	13,209	12,910	950	611
Share of Associated Companies			135	321

* Including properties where Winner's operates (IBL Properties).

Financial Highlights

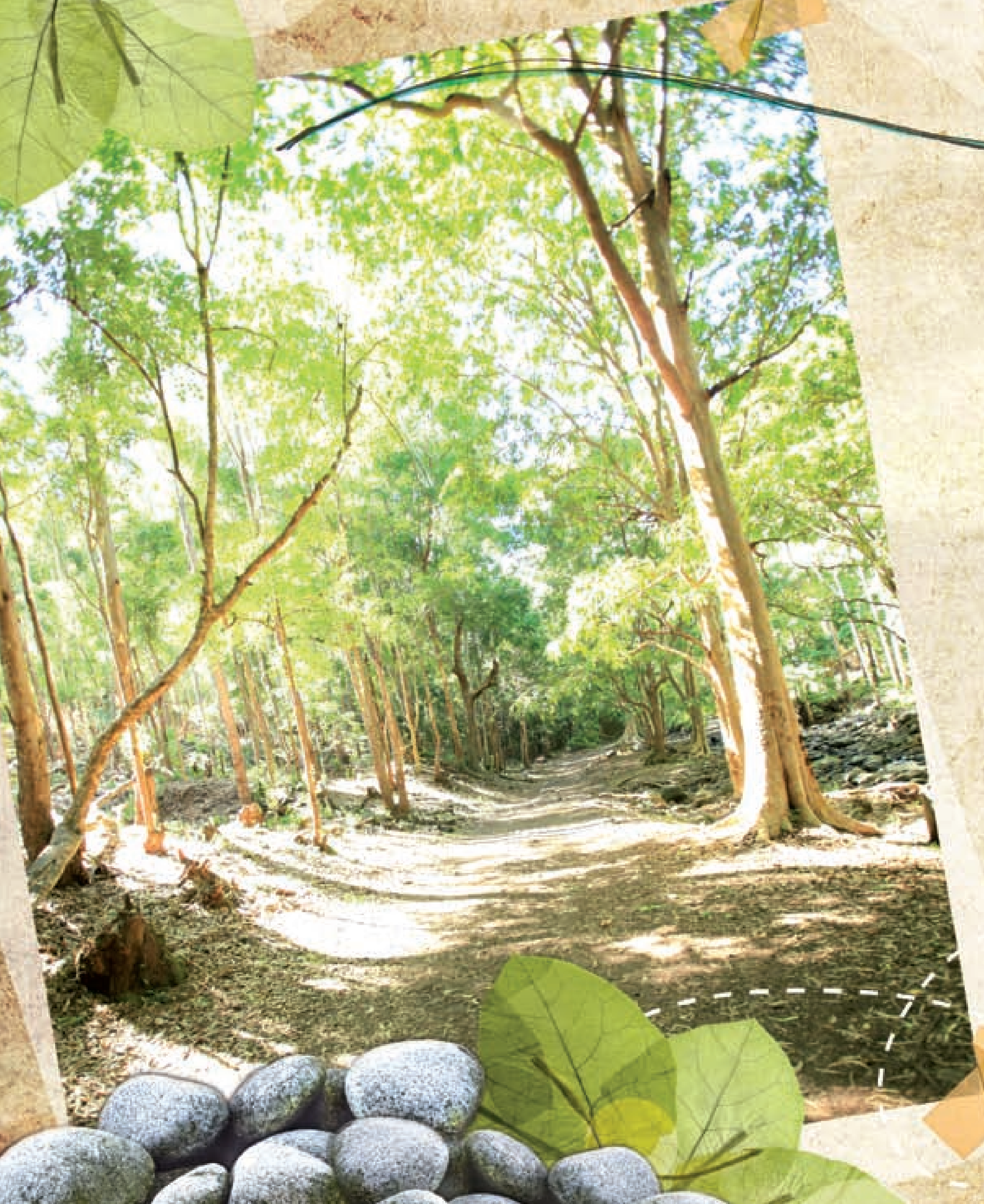
	2009	2008	2007
Turnover (Rs M)	13,209	12,910	11,694
Profit before Tax (Rs M)	1,499	399	550
Earnings per Share (Rs)	19.06	4.20	6.32
Dividends per Share (Rs)	1.00	1.20	1.65
Net Assets Employed (Rs M)	5,811	6,522	6,905

Group Statistics

	2009	2008	2007
Turnover (Rs M)	13,209	12,910	11,694
Turnover per Employee (Rs M)	2.22	2.22	2.19
Net Assets per Share (Rs)	38.14	48.70	46.05
Earnings Per Share (Rs)	19.06	4.20	6.32
Profit before Tax (Rs M)	1,499	399	550

Contents

Group's Review



Mission Statement

We recognise that our first responsibility is to our customers with whom we want to build a long-term business partnership by providing products and services that meet or exceed their expectations.

We are responsible to our employees and are firmly committed to their development, advancement and involvement. As an equal-opportunity employer, we will reward merit and innovation fairly and will provide a safe and pleasant working environment.

We will have competent management with the appropriate expertise, who will provide leadership, guidance and know-how and who will strive to best utilise resources to achieve corporate objectives.

We are ultimately responsible for creating shareholder wealth at a rate sufficient for the Group to take full advantage of future market possibilities while satisfying the needs of customers, employees and principals.

We will fully play our social role as a contributor towards the further development of Mauritius and of the region. We will continue to respect the environment and will act responsibly towards its improvement for future generations.

Core Values

Customer Focus

External

- I am proactive in seeking customer feedback and I act upon it.
- I regularly involve my employees in listening and actioning customers' feedback and take appropriate action.
- I implement customer-friendly procedures.

Internal

- I treat my internal customers with respect and provide constructive feedback.
- I respect internal deadlines and dates on information requested.

Quality

- I am committed to the development of my employees through regular coaching, training and appraising performance.
- I display leadership skills. I am open and fair; I promote teamwork involving my staff in decision making and business improvement; I empower my subordinates and give recognition.
- I promote a clean, healthy, motivational and happy work environment.

Think corporate

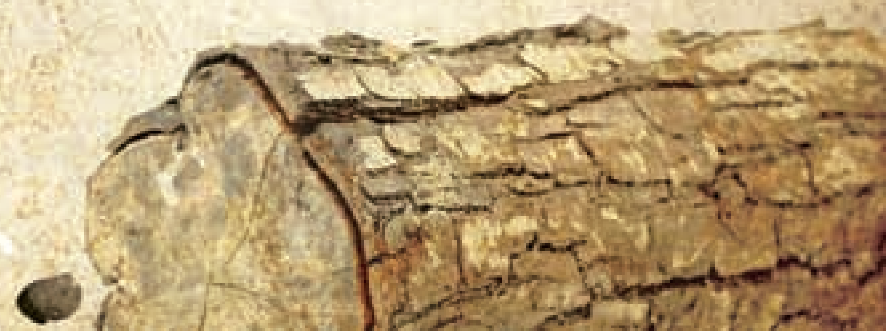
- I give preference to value for money Group services and products.
- I consider and discuss the corporate implications of my Business Unit decisions.

Profitability

- I set challenging objectives, regularly monitor my performance and take timely corrective action.
- I conduct my business in the most cost-effective manner.

Integrity

- I acknowledge my mistakes and do not look for scapegoats.
- I behave in a consistent manner towards bosses, colleagues and subordinates.
- I respect my commitments and am true to my word.



Organisational Structure

HEAD OFFICE

Financial Services
- Global Business
- Mauritian Eagle Insurance
- Mauritian Eagle Leasing

Retail
- Winner's

Seafood & Marine
- CNOI
- Froid des Mascareignes
- Marine Biotechnology
- Mer des Mascareignes
- Thon des Mascareignes
- Ship Owning & Management

Finance
- Corporate Finance
- Forex Management
- Taxation
- Treasury

Corporate Services
- Legal & Secretarial
- Human Resources
- Communication & CSR
- Information Technology
- Property Management, Projects & Services

Aviation

Logistics, Engineering & Commerce

Commerce
- Consumer Goods
- Frozen Foods
- Healthcare

Engineering
- Blychem
- Construction & Material Handling/
- Electrical & Commercial Supplies
- Manser Saxon
- Scomat
- RentEquip

Logistics
- Logidis
- Shipping Agencies
- Somatrans
- UPS
- IOL/ IOL Express

Chairman's Statement

Leading the competition, showing the way

As one of the leaders and pillars of the local economy, the IBL Group aims to be an example and guide for every Mauritian. Strengthened by its partnerships with many large international groups, IBL's know-how and productivity are its main strengths, together with retaining a strong relationship with each supplier, each partner, each investor and each customer.

Chairman's Statement

Dear Shareholder,

It gives me great pleasure to present you the Annual Report 2009.

The year under review has shown a small growth in turnover of some 2% to reach Rs 13.2 billion. However, Group profits from operations have increased by 56%, from Rs 611M to Rs 950M.

The Group profit attributable to the shareholders amounted to Rs 1.36 billion compared to Rs 300M in 2008. Included in this figure of Rs 1.36 billion, there was a surplus realised of Rs 867M, due to distribution of all the shares held by the Company in Sun Resorts Ltd (SRL) to all its shareholders. Excluding the above distribution, the attributable earnings were Rs 494M compared to Rs 300M in 2008, a 65% increase.

The earnings per share, excluding the surplus on SRL shares was Rs 6.92, compared to Rs 4.20 in 2008.

There has been a marked improvement in the Seafood Hub operations, whereby in spite of a decrease in turnover of about 8%, there has been an increase in EBIT (earnings before interest and tax) from Rs 116M in 2008 to Rs 302M in 2009, with a corresponding increase in PBT (profit before tax) from a loss of Rs 171M in 2008 to a profit of Rs 52M in 2009. The Marine Biotechnology plant is working satisfactorily, contributing significantly to the profits of this sector. However, the production and sales of the omega oil has been delayed for 2010.

The other sectors of the Group, namely Financial Services, Logistics, Engineering & Commerce (LEC) and Retail, performed satisfactorily, as more fully described in the executives' reports.

For 2010, the year has started reasonably well but the forecast remains difficult to predict at this stage.

An important feature of the year under review was the distribution of all the shares held by the Company in SRL in the form of a dividend in specie. This event happened mid - December 2009 and has unlocked shareholder's value and is enabling the Group to focus on its core sectors.

Moreover, I would like to thank Messrs Arnaud Dalais, Christian Dalais and Jean Pierre Dalais for their long and dedicated service to the Group; the above Directors resigned in December 2009, following the acquisition of the Company's shares from CIEL Investment by Compagnie d'Investissement et de Développement Ltée (CIDL). CIDL now owns about 48% of the Company. Subsequent to this change in shareholding, the financial year end will change to the 30 June and I would like to welcome on our Board Messrs Christian de Juniac, Jason Harel and Michel Guy Rivalland.

I wish to thank my fellow Board members for their advice and support as well as the CEO, management and staff for their commitment and hard work allowing the Group to produce a record year.

Thierry Lagesse
Chairman

29 March 2010

Corporate Governance

Corporate Governance

Shareholding

Ireland Blyth Limited was incorporated in 1972 and admitted on the Official List of the Stock Exchange of Mauritius in 1994. The share capital of the Company consists of 71,438,333 ordinary shares of nominal value Rs 10 each.

CIDL 48.29% | **AMAS 13.60%** | **BMH 10.88%** | **PUBLIC 27.23%**

Ireland Blyth Limited

The shareholders holding more than 5% of the ordinary shares of the Company at 31 December 2009 were:

Compagnie d'Investissement et de Développement Ltee (CIDL)	48.29%
The Anglo Mauritius Assurance Society Ltd (AMAS)	13.60%
Belle Mare Holding Ltd (BMH)	10.88%

Common Directors

The names of the common Directors within the holding structure are:

	CIDL	AMAS	BMH
LAGESSE, Arnaud	A		
LAGESSE, J Cyril	•	•	
LAGESSE, Thierry	•	•	
RIBET, Jean			•
RIVALLAND, Louis		•	•

A: Alternate Director

Dividend Policy

Subject to the satisfaction of the solvency test and to the Company's requirements in relation to working capital and capital expenditure, the Board would declare and pay dividends equal to at least thirty percent (30%) of the IBL's Group Attributable Earnings excluding exceptional items in each of its financial years to be paid in two instalments (interim in August and final in February).

Board, Directors and Committees

The Board consists of 11 Directors, 2 of whom are executives.

The role of the Chairman and that of the Chief Executive are separate. The Chairman has no executive or management responsibilities and acts as Chairman of meetings of shareholders.

Directors' Profiles

Patrice d'Hotman de Villiers, B. Com. – *Chief Executive Officer*

Chief Executive Officer since 1996. Chairperson of Mauritian Eagle Insurance Co Ltd. Previously Chief Operating Officer of Mauritius Tuna Fishing and Canning Enterprises Ltd.

Christian de Juniac, MBA – *appointed as Independent Non-Executive Director on 15 February 2010*

Christian de Juniac is of French nationality. He has spent most of his working life in international surroundings. He studied at Cambridge in UK followed by an MBA at Harvard University. He is a Barrister at Law and was with Boston Consulting Group for 28 years, based mostly in the United States, England, Holland and Switzerland. Christian de Juniac knows IBL well, having been responsible for the Boston Consulting Group team (BCG) which set up a new strategy for our Group in 2006. During his career at BCG, Christian de Juniac has specialized in financial services and mass distribution.

Bertrand Hardy – *Independent Non-Executive Director*

Chairperson of Rentacolor (Mauritius) Ltd.

Corporate Governance (continued)

Directors' Profiles (continued)

Jason Harel – *Independent Non-Executive Director*

Jason Harel qualified as both a Chartered Accountant and Barrister at Law in England and Wales. He was an associate within the Banking and Finance department of Denton Wilde Sapte in London from 2000 to 2005 specializing in structure trade and project finance in addition to workout transaction. Prior to this, he completed his pupilage with the UK leading tax chambers, Gray's Inn Tax Chambers, and trained as a chartered accountant with Kingston Smith in London. Upon his return to Mauritius, Jason is a co-founder and partner of BLC Chambers which is today ranked by both Global Chambers and International Financial Law Review as being a 1st tier business law practice in Mauritius. Jason has worked on a number of large banking, real estate and M&A transactions in Mauritius and elsewhere.

Arnaud Lagesse – *Non-Executive Director*

Arnaud Lagesse holds a "Maitrise de Gestion" from the University of Aix-Marseille III, France and is a graduate of "Institut Supérieur de Gestion", France. He also completed an Executive Education Program at INSEAD, Fontainebleau, France. He joined the Groupe Mon Loisir in 1995 as Finance and Administrative Director before becoming its Chief Executive Officer in August 2005.

He is the Chairman of Naïade Resorts Ltd, Mauritius Stationery Manufacturers Ltd, Robert Le Maire Limited and a Director of Deep River-Beau Champ Ltd, Flacq United Estates Ltd, Forward Investment & Development Enterprises Ltd and Union Flacq Ltd. He is an Alternate Director of United Basalt Products Ltd. Arnaud Lagesse is an ex-President of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund.

J. Cyril Lagesse – *Non-Executive Director*

Chairperson of the Company on a number of occasions. Cyril Lagesse is a Director of Deep River-Beau Champ Ltd, Flacq United Estates Ltd, Forward Investment & Development Enterprises Ltd, Mauritius Stationery Manufacturers Ltd, Naïade Resorts Ltd, Phoenix Beverages Ltd, Phoenix Investment Co Ltd, Robert Le Maire Ltd, Sun Resorts Ltd, Swan Insurance Company Ltd, Union Flacq Ltd, The Anglo-Mauritius Assurance Society Ltd and United Basalt Products Ltd.

Thierry Lagesse – *Non-Executive Director and Chairman*

Thierry Lagesse holds a "Maitrise en Sciences et Gestion" from the University of Paris Dauphine. He is the founder and Executive Chairman of the Palmar Group of Companies, an international textile and garment manufacturing group. He is also the promoter of both Companhia de Sena, a sugar processing and refining factory in Mozambique and Parabole Reunion SA, a Direct to Home Satellite TV company in the media and communication fields across the islands of the Indian Ocean. Thierry Lagesse chairs Compagnie d'Investissement et de Développement Limitée, the latter being the holding company of IBL.

He is the Chairman of Flacq United Estates Limited, Phoenix Beverages Ltd, The United Basalt Products Ltd, and Union Flacq Ltd. He is a Director of Deep River Beau Champ Ltd, Forward Investment & Development Enterprises Ltd, Sun Resorts Ltd, Swan Insurance Company Ltd, The Anglo-Mauritius Assurance Society Ltd and The Mauritius Stationery Manufacturers Ltd.

Gaetan Lan Hun Kuen, FCA – *Executive Director*

Joined IBL in 1977 as Financial Controller of Shipping and became Group Financial Controller in 1986. Chief Executive Officer of Mauritian Eagle Insurance Co Ltd for the period 2001 to 2004 and Head of Finance for the IBL Group as from 2005 to date. Chairman of The Stock Exchange of Mauritius Ltd, Director of Mauritian Eagle Insurance Co Ltd and Central Depository & Settlement Ltd. Gaetan Lan is the Chief Finance Officer of IBL.

Jean Ribet, B. Com, CA (SA) – *Non-Executive Director*

Group Chief Executive Officer of Constance. Director of Belle Mare Holding Ltd, Constance Hotels Services Ltd, Constance La Gaieté Co Ltd and Hotelest Limited.

Louis Rivalland, B.Sc. (Hons.) (SA), F.I.A. (UK), F.A.S. (SA) – *Non-Executive Director*

Group Chief Executive, Swan Group and The Anglo-Mauritius Assurance Society Ltd. Director of Belle Mare Holding Ltd, Constance Hotels Services Ltd, Constance La Gaieté Company Ltd, ENL Commercial Ltd, Hotelest Ltd, Mauritius Freeport Development Co Ltd, Naïade Resorts Ltd, New Mauritius Hotels Ltd, Swan Insurance Company Ltd, The Anglo-Mauritius Assurance Society Ltd, The Mauritius Development Investment Trust Company Ltd.

Michel Guy Rivalland – *Non-Executive Director*

CEO of AXYS Group. Michel Guy is a graduate in Economics. He joined Axys in 1999 and became a Director and shareholder in 2002. AXYS operates in the offshore, asset management, stockbroking, investment and asset financing sector. Michel Guy Rivalland is also the co-founder and Executive Chairman of the Island Fertilizers Group, the largest fertilizer operator in the region.

Corporate Governance (continued)

Profile of Senior Management Team

Patrice d'Hotman de Villiers, B. Com.
Chief Executive Officer

Joined the Group in 1996 as Chief Executive Officer. Chairperson of Mauritian Eagle Insurance Co Ltd. Previously Chief Operating Officer of Mauritius Tuna Fishing and Canning Enterprises Ltd.

François Desmarais, Sc. Po, PMD
Chief Operating Officer – Property Management, Projects & Services

Joined the Company in 1979 as Coordinator of the Commercial Division and subsequently became the Executive Director in charge of the Commercial Division. He was appointed Senior Executive of Large Projects, Services & Property Management. Since January 2007 he is dedicated to the development of the Group's properties.

Gaetan Lan Hun Kuen, FCA
Chief Finance Officer

Joined in 1977 as Financial Controller of Shipping and became Group Financial Controller in 1986. Chief Executive Officer of Mauritian Eagle Insurance Co Ltd. for the period 2001 to 2004 and Head of Finance for the IBL Group as from 2005 to date. Director of Mauritian Eagle Insurance Co Ltd and Central Depository & Settlement Ltd. Chairman of The Stock Exchange of Mauritius Ltd.

Fabrizio Merlo, B. Com., MBA
Chief Operating Officer – Logistics, Engineering & Commerce

Joined in 1997 as Managing Director of Manser Saxon Contracting Ltd. In 2005, he became Senior Executive for Contracting and Agriculture & Construction. Responsible for Scomat Limitée since 2006 and, since January 2007, he is the COO of Logistics, Engineering & Commerce Sector.

Nicolas Merven, Diplôme Universitaire de Technologie
Chief Operating Officer – Retail

Joined in 1994 as Manager to launch the Winner's chain of supermarkets. For 10 years he was the Senior Executive of the Food and Distribution Business Unit. Since January 2007 he is responsible for the implementation of an important development plan for the chain of supermarkets which now comprises 16 units.

Simon-Pierre Rey, BA (Hons.) Econ., ACA
Chief Operating Officer – Corporate Services

Joined in 1986 as Financial Controller – Tourism and was Finance Director of the Group from 1989 to 2005. Cumulated the position of Company Secretary from 1997 to 2005. As from January 2007, responsible for Legal & Secretarial, Human Resources & Communication and IT. Director of Mauritian Eagle Insurance Co Ltd.

Eric Venpin, FCA
Chief Operating Officer – Financial Services
Managing Director of Mauritian Eagle Insurance Co Ltd

Joined in 2003 as Director of DTOS Ltd and moved to Mauritian Eagle Insurance Co Ltd in 2005. Since January 2008 he is Chief Operating Officer of Financial Services, responsible for DTOS, Mauritian Eagle Insurance and Mauritian Eagle Leasing. He is also a member of the Society of Trust and Estate Practitioners.

Board Attendance

The Board meets regularly and at such adhoc times as may be required. Members of the Senior Management are invited to attend Board Meetings to facilitate communication between the Executive Management and Non-Executive Board Members.

Directors	Board Meeting	Audit & Risk Management Committee	Remuneration Committee	Strategic Committee
No. of Meetings during the year	**4**	**1**	**1**	**-**
D'HOTMAN DE VILLIERS, Patrice	4			
HARDY, Bertrand	2			
HAREL, Jason (appointed 30 Dec 09)				
LAGESSE, Arnaud	3	1		
LAGESSE, J Cyril	4			
LAGESSE, Thierry	4		1	
LAN HUN KUEN, Gaetan	4			
RIBET, Jean	4			
RIVALLAND, Louis	2			
RIVALLAND, Michel Guy (appointed 30 Dec 09)				
DALAIS, Guy Christian (resigned 16 Dec 09)	3			
DALAIS, Jean Pierre (resigned 16 Dec 09)	3	1		
DALAIS, Pierre Arnaud (resigned 16 Dec 09)	4		1	

Corporate Governance (continued)

Directors' Remuneration

All Non-Executive Directors receive Rs 80,000 per annum, except for the Chairman who receives Rs160,000 per annum as Directors' Fees.

In addition, the Chairman of the Audit & Risk Management Committee receives Rs 75,000 per annum and other members of this Committee receive Rs 50,000 per annum.

	2009 Rs'000	2008 Rs'000
Emoluments paid by the Company and related corporations to:		
- Directors of Ireland Blyth Limited		
- Executive	51,296	13,174
- Non-Executive	4,389	4,790
- Directors of subsidiary companies (excluding those who are also Directors of Ireland Blyth Limited)		
- Executive	127,750	100,767
- Non-Executive	728	782

Board Committees

Audit & Risk Management Committee

In 2009, the Committee consisted of:
Mr Arnaud Lagesse
Mr Louis Rivalland
Mr Jean Pierre Dalais (up to 16 December 2009)

The principal function of the Audit & Risk Management Committee is to oversee the financial reporting process. The activities of the Audit Committee include regular reviews and monitoring of the effectiveness of the Company's financial reporting and internal control policies and risk management systems, the effectiveness of the internal audit function, the independence of the external audit process and assessment of the external auditor's performance, the remuneration of external auditors, and to ensure compliance with laws and regulations relevant to financial reporting and with our internal code of business conduct. In 2009 the Committee met once. The members of the Committee have scrutinized and communicated their views on all Financial Reports prior to publication, the Audited Financial Statements, as well as reports from the Internal and External Auditors.

Remuneration Committee

In 2009 the Committee consisted of Messrs Arnaud Dalais and Thierry Lagesse.

The remuneration philosophy is to ensure that the Senior Management is appropriately rewarded for their individual and joint contribution to the Group's results, whilst also having due regard to market conditions, the interest of the shareholders and to the financial and commercial well-being of the Group.

The Chief Executive attends the meetings of this Committee by invitation. The Committee met once during the year.

Strategic Committee

In 2009, the Committee consisted of Messrs Arnaud Dalais, Thierry Lagesse, Jean Pierre Dalais, Arnaud Lagesse, Jean Ribet and Patrice d'Hotman de Villiers.

At the Board Meeting held on 29 March 2010, the following committees were constituted:

Corporate Governance Committee (including Remuneration):	C de Juniac (Chairman) A Lagesse T Lagesse J Ribet
Audit & Risk Committee:	J Harel (Chairman) B Hardy J Ribet L Rivalland
Strategic Committee:	T Lagesse (Chairman) C de Juniac A Lagesse

Agreements

In 2001, the Company entered into management services agreements with Ciel Corporate Services Ltd (CCS), GML Services Financiers et Juridiques Ltée (GML) and Belle Mare Holding Ltd (BMH). The services provided include, inter alia, corporate and investment strategy, advisory support services bringing industry specifics expertise. In return for these services, the Company pays Rs 2M per annum to each of CCS and GML and Rs 1M per annum to BMH.

The management services agreement with Ciel Corporate Services Ltd was terminated on 8 December 2009.

Corporate Governance (continued)

Directors' Interests In Shares

At 31 December 2009 the Directors' Interests in the shares of the Company were:

Name of Directors	Number of ordinary shares held at 31 December 2009	
	Direct	Indirect
D'HOTMAN DE VILLIERS, Patrice	1,880	10,000
HARDY, Bertrand	175,481	-
HAREL, Jason	-	-
LAGESSE, Arnaud	-	-
LAGESSE, J Cyril	14,773	1,000
LAGESSE, Thierry	3,300	-
LAN HUN KUEN, Gaetan	5,410	-
RIBET, Jean	-	232,319
RIVALLAND, Louis	4,400	-
RIVALLAND, Michel Guy	-	-

The Directors are fully aware of the contents of the Model Code of Securities Transactions by the Directors (Appendix 6 of the Listing Rules).

Related Party Transactions

Please refer to Note 30 of the Financial Statements of the Company.

Material Clauses of the Company's Constitution

The Company adopted a new constitution in June 2009. Some of the material clauses contained in the constitution are:

Clause 9 – Acquisition of Company's own shares
The Company may purchase or otherwise acquire its shares in accordance with, and subject to, sections 68 to 74, and 108 to 110 of the Act, and may hold the acquired shares in accordance with section 72 of the Act. The Company may purchase shares issued by it from some and not necessarily all of its shareholders.

Clause 20.7 – Quorum
There shall be a quorum for holding a General Meeting where four (4) Shareholders holding at least fifty percent (50%) of the shares of the Company are present or represented.

Clause 21.1 – Number of Directors
The Board shall consist of not less than six (6) or more than fifteen (15) Directors.

Clause 21.8 – Alternate Directors
Every Director may, by notice given in writing to the Company, appoint any person (including any other Director) to act as an Alternate Director in the Director's place, either generally, or in respect of a specified meeting or meetings at which the Director is not present.

Shareholders' Calendar

Financial Year End*	June
Annual Meeting of Shareholders*	June 2010
Special Meeting of Shareholders*	November 2010

Publication of Financial Statements

Quarter ended March 2010	May 2010
Six months ended 30 June 2010	September 2010
First Quarter ended 30 September 2010	November 2010
Second Quarter ended 31 December 2010	February 2011
Third Quarter ended 31 March 2011	May 2011

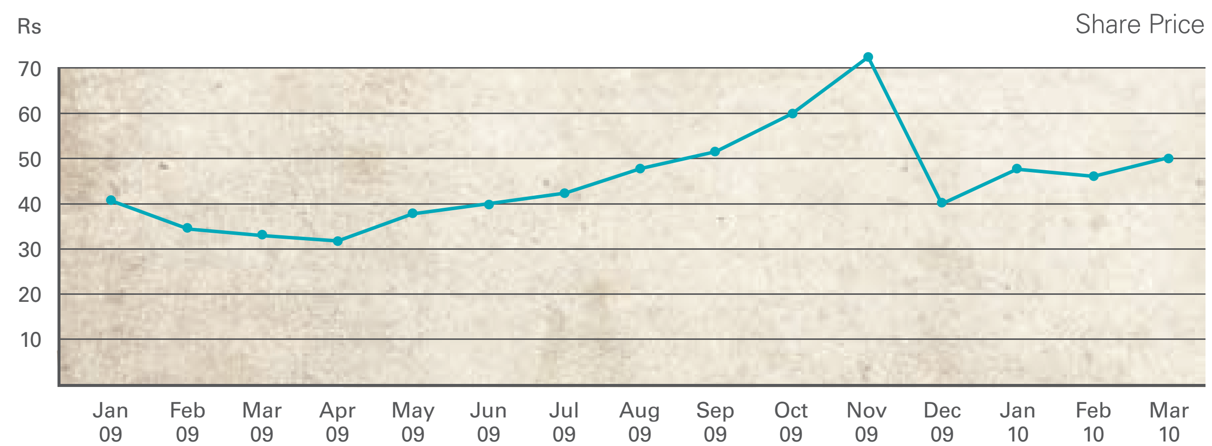
Dividends

Declaration	June & December
Payment	August & February

* The Company has changed its balance sheet date from 31 December to 30 June effective on 30 June 2010. Thus, Audited Financial Statements for six months ended 30 June 2010 will be approved by the Board of Directors in September 2010 and submitted for shareholder approval during a Special Meeting of the Shareholders of the Company to be held in November 2010.

The Audited Financial Statements for the year 1 July 2010 to 30 June 2011 will be submitted for approval at the Annual Meeting of the Shareholders to be held in December 2011.

Share Price Information



Corporate Governance (continued)

On 19 November 2009, IBL announced its intention to distribute all its SRL shares as a Dividend in Specie. This distribution was done on 14 December 2009.

The share price on the last cum-div date (1 December 2009) was Rs 70 and on the first ex-div date (2 December 2009) was Rs 41.

The share price on 31 March 2010 was Rs 49.50.

Shareholding Profile

Ownership of ordinary share capital as at 31 December 2009

Number of shareholders	Size of shareholding No. of shares	Number of shares owned	% Holding
6,060	1 - 500 Shares	929,893	1.30%
1,343	501 - 1,000 Shares	1,219,213	1.71%
1,827	1,001 - 5,000 Shares	3,229,546	4.52%
147	5,001 - 10,000 Shares	1,014,060	1.42%
177	10,001 - 50,000 Shares	3,762,492	5.27%
25	50,001 - 100,000 Shares	1,675,591	2.35%
28	100,001 + Shares	59,607,538	83.44%
9,607		**71,438,333**	**100.00%**

Number of shareholders	Type of shareholding	Number of shares owned	% Holding
9,305	Individuals	10,652,087	14.91%
9	Insurance and Assurance Companies	10,928,133	15.30%
36	Pensions and Provident Funds	1,655,309	2.32%
35	Investment and Trust Companies	37,534,990	52.54%
222	Other Corporate Bodies	10,667,814	14.93%
9,607		**71,438,333**	**100.00%**

Key Risks Areas

The Directors have overall responsibility for risk management. The Group is exposed by the nature of its business to a variety of risks, notably:

Financial Risks

These are outlined in Note 31 of the Financial Statements.

Operational Risks

Operational risk is that of loss arising from a breakdown in systems, human resources or internal processes.

The Group maintains a comprehensive insurance cover for all its properties against material damages, breakdown, loss of business and public liability.

The Group's cover is reviewed annually in collaboration with a professional insurance adviser.

Business Continuation Plan - IT

The BCP Guide has been completed. The aim of this Guide is to develop a structured and coherent framework in order to assist the organisation to recover as quickly and as effectively as possible from any unforeseen disaster or emergency with minimized business interruption and impact.

Code of Ethics

The Company is committed to the highest standards of integrity and ethical conduct with all its stakeholders.

Simon-Pierre Rey
Secretary

29 March 2010

Chief Executive's Review

Championing fairplay, reaching the heights

The personal commitment of each member of the IBL team ensures that the Group maintains its place among the leaders of each business sector in which it has invested. With the help of every employee and a collective sense of purpose, IBL achieves its objectives whilst respecting its competitors. A culture of loyalty, integrity, unity and hard work ensures that IBL attains its goals.

Chief Executive's Review

Dear Shareholder,

I am pleased to present to you hereunder the results of the various sectors of the Group for 2009.

	Group Turnover (Rs M)		*Group Profit from Operations (Rs M)*	
	2009	2008	**2009**	2008
Financial Services	1,286	1,297	168	171
Logistics, Engineering & Commerce	5,501	5,372	476	447
Retail*	3,404	2,938	94	81
Seafood & Marine	2,966	3,215	302	94
Corporate Services & Others	52	88	(90)	(182)
	13,209	12,910	950	611
Share of Associated Companies			135	321

* Including properties where Winner's operates (IBL Properties).

Group turnover has reached Rs 13.2 billion (a 2% increase on 2008). This modest overall increase in turnover is the result of a decrease in turnover in **Financial Services** and **Seafood & Marine** due to the drop in the value of the US Dollar vis-à-vis the MRU and the drop in fish prices respectively. There has been a 16% increase in turnover in retail, which is commendable.

All sectors have shown a growth in profits and detailed review of the operations is contained in each COO's review and a financial overview is covered in the CFO's message.

The **Financial Services Sector** which had an outstanding growth in 2008, has stabilized after the acquisition of a further 24.5% stake in Knights & Johns Management Ltd, bringing our shareholding in this company to a total of 75.5%. The profits from operations stood at Rs 168M in 2009 compared to Rs 171M in 2008. This slight decrease is mainly attributable to additional provision for asset impairment in our leasing subsidiary.

The **Logistics, Engineering & Commerce Sector** also performed well. Turnover increased by a modest 2% but profits grew by 6%.

The **Retail Sector** had no new openings during 2009 and the 16 supermarkets, strategically situated throughout the island, showed a 16% increase in turnover to Rs 3.4 billion, producing profits of Rs 94M compared to Rs 81M in 2008, a 16% increase.

The **Seafood & Marine Sector** has shown a turnaround in profitability – from a loss of Rs 171M in 2008, to a profit of Rs 52M in 2009, which is satisfactory and encouraging. Production levels are being kept at an average of 222 MT per day and a policy of having adequate stock supplies of fish is being implemented.

The Marine Biotechnology plant is working satisfactorily, yielding the expected profitability. However, the production and sales of the omega oil has been delayed to 2010. All efforts are being deployed to sustain profitability in this sector.

The reduction in the results of the associated companies is due to the fact that the Company has distributed all the shares it held in Sun Resorts Ltd (SRL) in the form of a dividend in specie in December 2009. Thus, the only associated companies of the Group are Chantier Naval de l'Ocean Indien (50%) and Princes Tuna Mauritius Ltd (29%).

Our gearing ratio, after the distribution of the SRL shares, stood at 55% compared to 53% in 2008.

I would like to place on record my sincere appreciation to the management and employees of the Group for their hard work during 2009, which has proved to be a record year.

Patrice d'Hotman de Villiers
Chief Executive Officer

29 March 2010

Finance
Corporate Unit

Management Team

Gaetan Lan Hun Kuen - Chief Finance Officer

- **Derek Wong Wan Po** - Group Finance Manager
  - **Nily Bunwaree** - Senior Manager - Compliance
  - **Philippe Danré** - Group Credit Controller
  - **Djilani Hisaindee** - Group Taxation Manager
  - **Kersley Hong Lin** - Head Office Accountant
  - **Dany Wong Haw Hiang** - Senior Manager Corporate Treasury

Message from the Chief Finance Officer

The challenges of the global economic crisis continued to impact the business environment throughout 2009, with added pressure on credit availability and margins.

However, in view of its diversity and strategic choices, the Group continued to grow with improvement to its profitability and performance in almost all of its businesses, particularly in the Seafood Sector.

Net profit from operations increased by 18% to reach Rs 569M against Rs 336M last year.

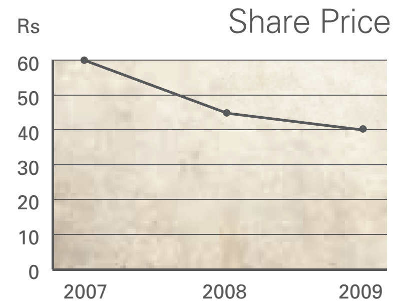
The dedicated efforts of the financial management team were of utmost importance in the implementation and monitoring of the processes which contributed to the good results.

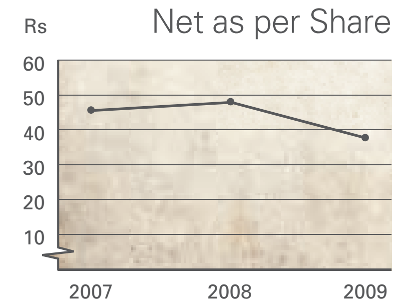
The cost management programme initiated last year yielded positive results. Concurrently, notable improvements were registered in the Group borrowings with strict liquidity management whereby key performance indicators were attributed to the different cash flow components, namely capital expenditure, receivables, payables and inventories. Together with the 1% reduction in Repo rate, the impact was a drop of Rs 82M in finance charges over last year for the Group.

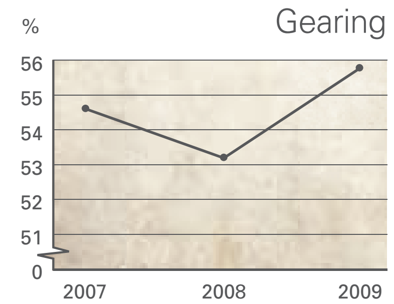
Foreign exchange rates were highly volatile throughout the year. This demanded an efficient and close monitoring from the Treasury team which had the support of a Treasury Management System developed in-house to optimise resources both of local and foreign currencies. Intensive use of swapping and hedging were used to mitigate the adverse effects of the risk attached to the volatility on the exchange market.

The effective management information systems in place provided valuable, straightforward and accurate information to executives in a timely manner for decision making.

In December 2009, shareholders benefitted from a dividend in specie valued at Rs 27.85 per share. Net Asset Value was Rs 38.14 at year end after distribution of this dividend. However shares have been trading on the Stock Exchange at a premium of around 25% over this Net Asset Value following the publication of the results in March 2010. This was above the average market price of the preceding financial year.







Whilst increasing shareholders' value remains the prime objective of all future strategies, the maximisation of corporate values and the prospection of opportunities for long term growth remain our focus.

The financial management team wishes to reiterate its commitment to maintain its high standard of financial management and accountability in its reporting.

Gaetan Lan Hun Kuen
Chief Finance Officer

Corporate Services

Management Team

Simon-Pierre Rey - Chief Operating Officer

- **Doris Dardanne** - Assistant Company Secretary
  Legal & Secretarial
- **Sylvette Godère** - General Manager
  Human Resources
- **Sareeta Goundan** - General Manager
  Information Technology
- **Cécile Masson** - Senior Manager
  Communication & CSR

The mission of the Corporate Services Unit is to provide professional service to in-house customers in the fields of Legal & Secretarial, Human Resources, Information Technology and Communication & Corporate Social Responsibilities.

Legal & Secretarial

All secretarial and legal duties for about 100 Group Companies, including three quoted Companies on the Stock Exchange of Mauritius, have been performed diligently and professionally by a small team during 2009.

Since January 2010, with the distribution of all the shares held by the Company in Sun Resorts Ltd, we are no longer performing the secretarial duties for that company.

Human Resources

The Human Resource Corporate Unit (HRCU) mission is to formulate and drive Human Resource initiatives and objectives of the Group and coordinate the implementation through the current HR Staff to ensure optimisation of our human capital and help management to achieve business results.

The Human Resource Corporate Unit is responsible for the implementation of the Group Safety & Health Policy, the Training and Development Policy through our in-house training centre as well as through Charles Telfair Institute, one of our major training partners.

In addition, HR Services including payroll and canteen (L'Ibeloise) are provided.

For a review of activities and prospects, please refer to the report of Mrs Sylvette Godère, General Manager HR.

Information Technology (IT)

Information Technology provides in-house IT services with a staff of some 44 highly skilled professionals.

The operations cover:
- System Administration & Support;
- Software Engineering & Quality;
- Network & Communication.

The key projects identified for 2009 have been successfully completed. For a more detailed review of activities and prospects, please refer to Mrs Sareeta Goundan's report, General Manager Information Technology.

Communication & CSR

This unit has been very active in the promotion of the IBL brand. It has developed and successfully implemented a Corporate Social Responsibility programme and launched the "IBL Foundation". Our internal communication tool (IBL News) is produced every two months and considerable effort has been made to improve its content and presentation.

For a more detailed review of activities and prospects, please refer to Mrs Cécile Masson's report, Senior Manager, Communication & CSR.

Appreciation

I would like to thank the management and staff of the Corporate Services Unit for their hard work during 2009.

Simon-Pierre Rey
Chief Operating Officer

Corporate Services (continued)

Human Resources

CORPORATE UNIT

In today's hyper-competitive business environment, companies must maintain the highest level of performance in order to succeed. To create this competitive advantage so that IBL is viewed as an attractive work destination, HRCU continued to balance the demands of several different roles as business partner, internal consultant, operational and administrative expert, acting at the same time as both employees' and employer's advocate.

Review of activities

If we want to recruit and retain the most talented human capital, we need to be armed with the tools and technology needed to support this strategy. Knowing that the right HR technology is a critical element of any HR strategy moving forward, we started our journey with the implementation of some systems which will be completed by additional ones in 2010.

- Training Management System is already up and running;
- Performance Management System is being computerized for a paperless system;
- Intranet Portal is being widely consulted.

Investment in our human capital is vital

In order to deliver excellent results, our employees must be motivated and have the necessary competencies or the capacity to develop them. Last year, even if many operations and departments had to reduce training expenses during the first semester, training activities picked up during the second because business didn't slow down. Senior managers believe that continuous training is an investment in the human capital development and, inter alia, in business growth.

Overall, **10,000 hours** have been devoted to training for around a **thousand employees** in various fields and at all levels. One of the main training highlights during the year was the revised Performance Management System workshop (PMS). The PMS being the fundamental tool to effectively manage people, monitor their performance and develop them so as to meet business objectives, it was the appropriate time last year to review its implementation throughout the Group. Refresher courses were conducted for managers and training provided to supervisors to empower them to take greater responsibilities in managing their people.

After four years of existence, Thon des Mascareignes embarked on a people's development programme to improve productivity with the help of the National Productivity and Competitiveness Council and a Leadership Development Programme for their supervisors and team leaders.

IBL Training continued to upgrade the labour force in IT skills, an essential tool to meet the demands of modern business. A series of IT programmes, whether in MS Office, Autocad, troubleshooting etc, was conducted throughout the different sectors.

Safety, Health & Environment activities kept our team on their toes during 2009

- *Electrical Safety*: Some 50 technical/maintenance personnel attended two awareness sessions on the new Electricity at Work Regulations 2009 which came into force on the 1 June 2009.
- *Forklift Safety*: During the months of March and April, three training sessions on basic forklift safety were conducted for operators to ensure the safe use of these lifting trucks.
- *First Aid at work*: 50 employees have been trained as First Aiders.
- *Safety Induction*: 191 newly recruited employees attended safety induction in 11 batches during 2009.
- *Defensive Driving*: In order to increase awareness of driving personnel on Road Safety and to sustain the national effort in reducing road traffic accidents, a batch of employees was trained in November.
- *Fire Prevention*: To enable employees to cater for any emergency, personnel involved in handling and storage of dangerous chemicals were trained in fire fighting and rescue operations in October.
- *A Flu WHO Alert Level 5*: Following measures recommended by the Ministry of Health, 3 awareness campaigns on Swine Flu were conducted for personnel working in the port, in particular employees of C.N.O.I, CMH and other shipping operations.
- *Screening for Hepatitis B & C*: Some 1,329 employees have undergone the screening tests for hepatitis.
- *Medical check-up*: 486 employees working at IBL House, Caudan and IBL Industrial Zone, Riche Terre, had a free medical examination.
- *IBL Environment Week (1 to 5 June)*: A series of activities has been organized in collaboration with different relevant IBL operations to culminate in the celebration of the World Environment Day, including awareness talks on "climate change" and planting of endemic trees at various sites.
- *Accident Prevention*: There has been a slight reduction in the number of reported work accidents in 2009 as compared to 2008.

IBL Human Resources Corporate Unit - CSR initiatives and "Projets Sourire"

IBL Human Resources Corporate Unit has actively led the Corporate Services CSR Sub-Committee and successfully completed nine micro projects in line with the policy of IBL Foundation to bring assistance, hope and motivation to poor children and their parents/teachers/guides in underprivileged regions.

The HRCU team has donated two computers to the Rehabilitation Youth Centre of Beau Bassin to promote the IT literacy of teenage delinquents for a better social reintegration and has, at the same time, trained the rehabilitation officers to train the teenagers. The team has also helped the young people of Pointe aux Sables in educational and social tools and equipment, namely a pre-primary school at Cité Débarcadère and the young Scouts of Ste Marie Madeleine. The handicapped children and teenagers of Namasté, Roches Brunes, have also been given assistance. Finally, the HRCU CSR team has given a helping hand to the Centre of Learning of Cité Barkly and donated some 25 musical instruments.

The HRCU CSR team is now dedicated to pursuing its participation and involvement in other CSR "Projets Sourire" in 2010.

Corporate Services (continued)

Human Resources

CORPORATE UNIT

Prospects

PMS processes are important today, perhaps more than ever, because they can help grow and develop people and overall business performance, but processes alone are not enough. This year we will automate the processes to help assist business evolution in the following implementation:

- Compensation Management System;
- Succession Planning and Career Development;
- Talent Management.

This year much emphasis will be laid throughout the Group on upgrading and consolidating the role and management/leadership skills of the different levels of team leaders, whether experienced middle managers, technical managers, junior managers, newly-appointed supervisors or team leaders.

A range of training will be provided, namely: Harvard Manage Mentor on-line programmes, Management Skills Development programme (in collaboration with our partner, Charles Telfair Institute) and "Bud to Boss" programme designed by our Training Centre for supervisors having particular difficulty in striking the right balance between the management and their team. Particular attention will be paid to empowering floor level team leaders and upgrading their literacy and numeracy skills. Our 2010 training calendar will also include other training programmes in the IT field, in the communication, customer care, interpersonal skills, and health and safety areas.

In line with its Environment Chart, and as a member of the UN Global Compact, IBL last year initiated projects such as collection of solid wastes (paper). The management of solid wastes at operations' levels will be reviewed to implement best green practices and collection of used batteries and old cellular phones is also being considered for this coming year. Special bins will be made available for the collection of used IT equipment and consumables, old batteries and cellular phones.

Communication on Progress to UN Global Compact

IBL will submit its first report in April which sums up actions achieved by the Company in line with the 10 fundamental principles of UN Global Compact since its adhesion in 2008. We will continue to keep plastic/paper waste for those involved in recycling to collect on our sites as recommended by the Ministry of Local Government.

We will pursue the safety, first aid, forklift, defensive driving training.

Safety and Health courses are being organized for contractors and, as usual, all new employees joining the Company will undergo safety induction. First time Introductory Course on Safety & Health run at IBL Training Centre will be conducted by Safety & Health Officers of the Group for members of Safety & Health Committees.

Awareness campaigns on major health issues

We will continue to use all practical media tools available to create awareness amongst employees, as we did last year for A flu.

- *World No Tobacco Day:*
  31 May (programme of smoke cessation)
- *World Blood Donor Day:*
  14 June (Blood collection at IBL House, Riche Terre and Cassis)
- *Traditional Medicine Day:*
  31 August (Talk on traditional medicine/homeopathy)
- *World Heart Day:*
  27 September (Health walk/run at Signal Mountain)
- *World Sight Day:*
  8 October (eye testing for all drivers by optometrist)
- *World Diabetes Day:*
  14 November (Awareness campaign)
- *World Aids Day:*
  1 December (Awareness Campaign)

IBL Safety & Health Week (Sept):

With the introduction of new regulations and increased fines to further reinforce road safety in Mauritius, employees will have to be more cautious. Awareness sessions will be organized in collaboration with the Traffic Management Unit and the Road Safety Unit and IBL Transport Services to further sensitise management and employees on road safety.

Appreciation

I would like to thank each member of my team for their sharing, the good work and undivided support during the past year.

Sylvette Godère
General Manager

Information Technology

CORPORATE UNIT

Review of activities

Year 2009 has been another year of sustained progress in line with our strategy to align our activities and services with best practices and industry standards. It has been a year of achievement with the successful implementation of challenging projects and the initiation of other critical projects targeted for completion during the course of 2010.

In view of our ongoing commitment for promoting continuous improvement of our services, considerable investment has been made in the following areas and projects in order to meet evolving customer expectations.

- *The IBL Network Infrastructure Project* – This project aimed at a complete re-design of the IBL network infrastructure in view of having a robust, secure, manageable, scalable and redundant network infrastructure which would sustain the Group's business challenges over the next five years, has been successfully implemented across the Group, including all the remote IBL sites. The same design has been replicated at our DR (Disaster Recovery) site, in order to provide for geographical redundancy.
- *Information Security Management System – ISMS & ISO 27001 Certification* – IBL IT has become the first IT Services company in Mauritius to be awarded the ISO 27001 Certification. ISO/IEC 27001 is the internationally recognized standard for setting out the requirements for an Information Security Management System. Information is considered one of the most critical assets of all organisations and protecting information assets in this information dependent society is vital, both for the organisation's survival and future. In today's competitive business environment the proliferation of complex and global threats to information security is driving organisations to take a strategic view of information security. Ensuring information security within a sustainable framework has therefore become a key challenge for any organisation. A strategy to achieve this objective is through an effective, efficient and compliant Information Security Management System, which IBL IT has adopted and successfully implemented.
- *Business Continuity Planning (BCP)* – The BCP Guide, which was aimed at developing a structured and coherent framework to assist the organisation to recover as quickly and as effectively as possible from any unforeseen disaster or emergency with minimized business interruption and impact, has been completed. Necessary resources have now been allocated to test the plan with simulation drills.
- *Help-Desk System* – In view of upgrading our service delivery level, a web-based Help-Desk system has been implemented. This is a critical tool to assist us in the monitoring of all customer requests, follow-up of tickets logged and consolidation of our knowledge-base.
- *Upgrade of ISO 9001:2000 to ISO 9001:2008* – Our Quality Management System has been recertified by SGS, which has concluded that our organisation complies with the new standards of ISO 9001:2008.

Providing our customers with a competitive edge in their respective business activities by aligning IT capabilities with their business objectives is also our strategic imperative. Emerging technologies have been in the forefront in the selection of new turnkey IT solutions for our customers. Among the new projects which have been initiated in year 2009, some have already been completed while others are at different phases of their implementation plans.

- *The Somatrans Freight Forwarding System* has been redesigned with an innovative interface with our ERP System. The new architecture integrates a web-based Quotation System which provides facilities to manage customers and quotation requests and management.
- The *Pangaea Tracking Interface System* is operational and has enabled freight forwarders, agents and clients of Somatrans to manage the entire logistics process and exchange information.
- Our *Integrated Human Resource & Payroll Systems* have been re-engineered and implemented in the Hospitality Sector.
- *VIF Phase 2 Project* has been initiated in Thon des Mascareignes. The automation in the supply chain will help management optimize the entire production system and improve efficiency while providing a real-time view on the whole process and supply chain. The availability of real-time statistics will further assist management in their decision-making process in this dynamic sector.

IBL IT - CSR initiatives and "Projets Sourire"

In line with the IBL Group Corporate Social Responsibility initiatives, IBL IT has been actively involved in CSR programmes. IT Awareness and Training sessions have been organized and conducted by the employees of IBL IT for children of Centre Eveil, Cassis over a period of six months – two sessions of three months each. Overall, some one hundred children have benefited from these IT training programmes. IBL IT has also sponsored some one hundred children of Forms 1 to 5, of La Gaulette SSS in First Aid Training, in collaboration with the St John's Ambulance, as well as a pre-primary school at Mahebourg welcoming some thirty needy children.

Our commitment to pursue our effort in our Corporate Social Responsibility projects will be maintained throughout this year.

Corporate Services (continued)

Information Technology

CORPORATE UNIT

- *Sales Force Automation System* – This project has the objective of automating sales activities in the field. Competition in the Food & Distribution Industry being so fierce, it is imperative to equip the sales force with the correct tools and up-to-date information to help them maintain competitiveness in the market. This project is in line with the latest technological trends with respect to hardware, software and communication.

- Retail Pharmacy System – A new system, fully integrated with the ERP, will provide management a real-time view on the activities of all its outlets.

Prospects

This year, focus will be on the implementation of the major projects already initiated across the Group in year 2009 – VIF Phase 2, Sales Force Automation and Retail Pharmacy projects.

In line with our strategic plan and based on new customer requirements, other projects targeted to start this year include:

- A Centralised Archiving and Document Management System;
- An e-Performance Management System;
- A vertical integration of the Human Resource, Payroll, Training and Performance Management Systems;
- Talent Management System;
- Treasury Management System – Phase 2;
- Human Resource Management System in the Seafood & Marine Sector;
- Fleet Management System.

Our existing Data Warehouse will be subject to a complete review and re-design. Today's information architecture is much more dynamic and businesses' demand for information analysis is subject to an exponential growth. Increasingly, companies are recognizing the value of an enterprise data warehouse which is capable of providing a single 360-degree view of the business and a powerful platform for a wide spectrum of business intelligence tasks, ranging from predictive analysis to near real-time strategic and tactical decision support throughout the organisation. With these objectives in mind, the hardware configuration, the data model and the data loading process will be reviewed and re-designed.

Our employees remain a valuable and critical asset. Our policy to invest in our human capital and carefully designed training plans will be maintained, in order to prepare them for new business challenges lying ahead, as well as their personal development. This is in line with our objective to adapt promptly with emerging technology which is an enabling factor in meeting and exceeding customer demands and expectations.

Appreciation

I would like to convey my sincere thanks and appreciation to all the IBL IT Management and staff for their continuous commitment, support, hard work and dedication in achieving the organisation's objectives.

Sareeta Goundan
General Manager

Corporate Services (continued)

Communication & CSR

CORPORATE UNIT

Review of activities

The Communication Department has evolved significantly since the beginning of 2009. As well as developing, promoting and putting in place the CSR strategy of the Group, the Communication Unit's main task is to ensure the flow of information to its stakeholders, internally and externally.

During 2009, we have pursued the remodelling of **IBL News** in its visual presentation as well as its content, in consultation with the editing team. The magazine is now well appreciated according to a survey carried out among the Group's personnel. With this new format, the readers can appreciate in more detail our activities, its structure, the human resources involved and its dynamism.

From the **corporate sponsorship** side, IBL is a partner to the TV Show **100% Challenge**, a monthly economic programme aired on MBC TV. The objective of this TV show is to demonstrate to the general public how the Private Sector has a key role in the Mauritian economic development and to discover how Mauritian companies are diversified. As the IBL Group is present in many sectors, our companies had very good coverage on this programme during 2009.

IBL has been a sponsor of the **Blyth Centenary Cup** for 79 years. Since 2008, IBL has decided to continue this tradition by sponsoring the whole day's races under the name of **The IBL Challenge Day**.

To reinforce the IBL brand, two full advertising campaigns were launched throughout the island.

In June 2009, the "*Unis aujourd'hui, plus forts demain*" message appeared on the Mauritian landscape via billboards and press. This was done in the context of the international financial crisis. The campaign was introduced, restoring confidence among the employees, customers and other stakeholders, showing the strength of the Company regardless of the hard times.

The second campaign, "*Croire en leur avenir, leur donner le sourire*" was launched at the end of October 2009 for one month. The campaign's objectives were to create awareness for the protection and the well-being of Mauritian children, and the creation of the **IBL Foundation** which is the vehicle for our corporate social responsibility projects.

The above coincided with the *20th Anniversary of the Children's Rights Convention* and the publication by the **IBL Foundation**, with the collaboration of the *Ombudsperson for Children's Office*, of the booklet "Les Droits de l'Enfant, à travers les aventures de Tico, Tify et Rajoo". To mark this event, the song "Zenfan Soley", written and performed by the rock band *Crossbreed Supersoul*, was adopted as the anthem of the **IBL Foundation.** Each of the 5,000 employees of the IBL Group received a copy of this booklet and a CD.

In both these campaigns, children are the main actors as they represent the future and are an essential link with our motto, **IBL Brings Value to Life**.

Prospects

The Communication Department has planned, for 2010, to continue the reinforcing of the IBL brand through new corporate national advertising campaigns.

New layouts are being designed for both internal and external communication (regarding memos, vacancies, PowerPoint presentation, etc.); they are modern, clearer and easy to read.

The graphic standards have also been completely re-examined, and will be introduced to all sectors within the Group.

With the collaboration of the IBL Training Centre, we are planning to review the reception standard procedures to be in line with IBL's customer service standards.

At the corporate sponsorship level, IBL will continue to be a partner of the TV show 100% Challenge and will organise the IBL Challenge Day at the end of August 2010.

Surveys will also be carried out internally and externally to appraise the coming campaigns.

IBL News will be published 6 times in 2010 and the usual internal events will carry on in 2010.

Finally, to reinforce the team spirit at IBL, an **IBL Group Football Tournament** is planned to coincide with the World Cup in South Africa.

Appreciation

2009 was an eventful year for IBL corporate communication in terms of changes implemented and volume of projects. I would like to thank my colleague for her support this past year, all those who have contributed in running all the projects described above and the dedicated editorial team of IBL News for their invaluable support.

Cécile Masson
Senior Manager

Corporate Social Responsibility

Supporting our citizens, helping them in their need

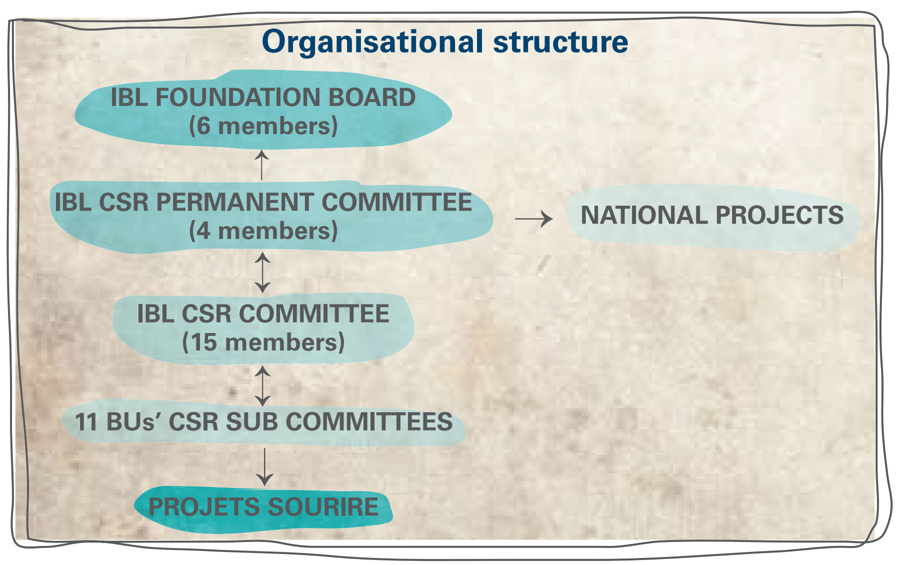
IBL has chosen to focus most of its investment in social responsibility on the respect of children's rights. With the creation of the IBL Foundation, IBL aims to give Mauritian children the opportunity to develop in an environment which respects their rights and helps them to reach their full potential.

Corporate Social Responsibility

Mission

In line with IBL' s Mission Statement, the Group has been involved in CSR for many years. **IBL Foundation**'s Mission is:

*"As an organisation committed to social responsibility and charitable objectives, the **IBL Foundation** makes good use of its resources in a transparent way in order to give Mauritian children the opportunity to grow and develop within a safe and protected environment, as well as providing them with the necessary tools to face the economic challenges of tomorrow."*



The main focus of **IBL Foundation** actions is towards underprivileged children.

Organisational structure

In order to support the above mission, an organisational structure, under the Chairmanship of Nicolas Merven, COO of **IBL Retail**, has been put in place *(see diagram below)*.

Each member of the IBL CSR Committee represents one Business Unit and leads a CSR team.

IBL Foundation has therefore two levels of intervention in CSR.

1) Under the Permanent Committee's responsibilities, the first one deals with large projects that reach the maximum of underprivileged children, on a middle to long term basis at the national level.

2) The second one is for more localised projects called "Projet Sourire", managed by the BUs' representatives of the IBL CSR Committee. A "Projet Sourire" consists mainly of projects in regions where IBL has activities or where our employees live.

Review of activities

The government's new guidelines regarding Corporate Social Responsibility were included in the Income Tax Act 1995 and applied as from the 1 July 2009. It stipulates that each company must invest 2% of its net profits after tax in CSR projects. These guidelines were released by the National CSR Committee in October 2009.

The **IBL Foundation**, having as motto **I**nitiatives for a **B**etter **L**ife, was incorporated at the end of October 2009 and was officially launched on 18 November 2009. **IBL Foundation** has kept the same structure and the same focus on underprivileged children and youth, decided in January 2009.

IBL Foundation acts as a private company limited by guarantee with charitable objectives.

IBL Foundation obtained the accreditation Special Purpose Vehicle status at the end of December 2009. This status gives the possibility to **IBL Foundation** to receive 2% of CSR contribution from IBL Group companies.

Along with the creation of **IBL Foundation**, a national appeal for projects for 2010 was made at the end of October, through a one month national advertising campaign.

In partnership with the *Ombudsperson for Children's Office* and to celebrate the *Convention of Children's Rights 20th Anniversary*, a booklet called "Les Droits de l'Enfant à travers les aventures de Tico, Tify et Rajoo", was published, with 50,000 copies distributed to to NGOs and students in Form 1 in Mauritius and Rodrigues. Mauritian rock band, *Crossbreed Supersoul*, composed the song "Zenfan Soley", **IBL Foundation**'s anthem.

In parallel, an awareness press campaign on Children's Rights ran for one week at national level.

During 2009, IBL' s investments in CSR in Mauritius can be summarised as follows:

Summary for 2009

	January to June 2009	July to December 2009
Amount spent	Rs 1,479,917	Rs 4,876,264
Area of intervention		1. Education & Training = Rs 1,752,522 2. Environment = Rs 1,500,000 3. Socio-Economic Development = Rs 1,163,054 4. Health = Rs 294,163 5. Leisure & Sport = Rs 115,747 6. Catastrophe = Rs 50,778
Number of national projects	7	20
Number of "Projets Sourire"	40	66
Volunteer hours of work given by our employees	1750	1900
Number of beneficiaries (children)	3500	57,302

Note: For an overview on the different "Projets Sourire", please refer to Activities in Sector Reports.

Corporate Social Responsibility (continued)

Prospects

IBL CSR Committee will continue to focus on the well-being of Mauritian children, particularly the underprivileged ones. The 2010 budget is Rs 15M. Similarly to 2009, for each project we will continue, to go into the field to meet the NGOs or Corporate Partners and do an evaluation of the needs. All projects are closely followed-up.

About 80 "Projets Sourire" and 30 national projects are planned.

NGO's like *Action Familiale, APEIM, ANFEN* and some of its schools, *Association Mauricienne de la Lecture, CARITAS, Centre de Formation pour Educateurs, Junior Achievement Mascareignes, Muscular Dystrophy Association, SOS Village, Society for the Welfare of the Deaf, Ti'Diam, TIPA, SAFIRE, SACIM, Mauritian Wildlife Foundation* for a children's awareness programme for the protection of the environment and *ZEP School Serge Coutet* in Baie du Tombeau, are to obtain significant contributions. All projects with these NGOs are in line with the National CSR Committee's guidelines and with the different intervention areas.

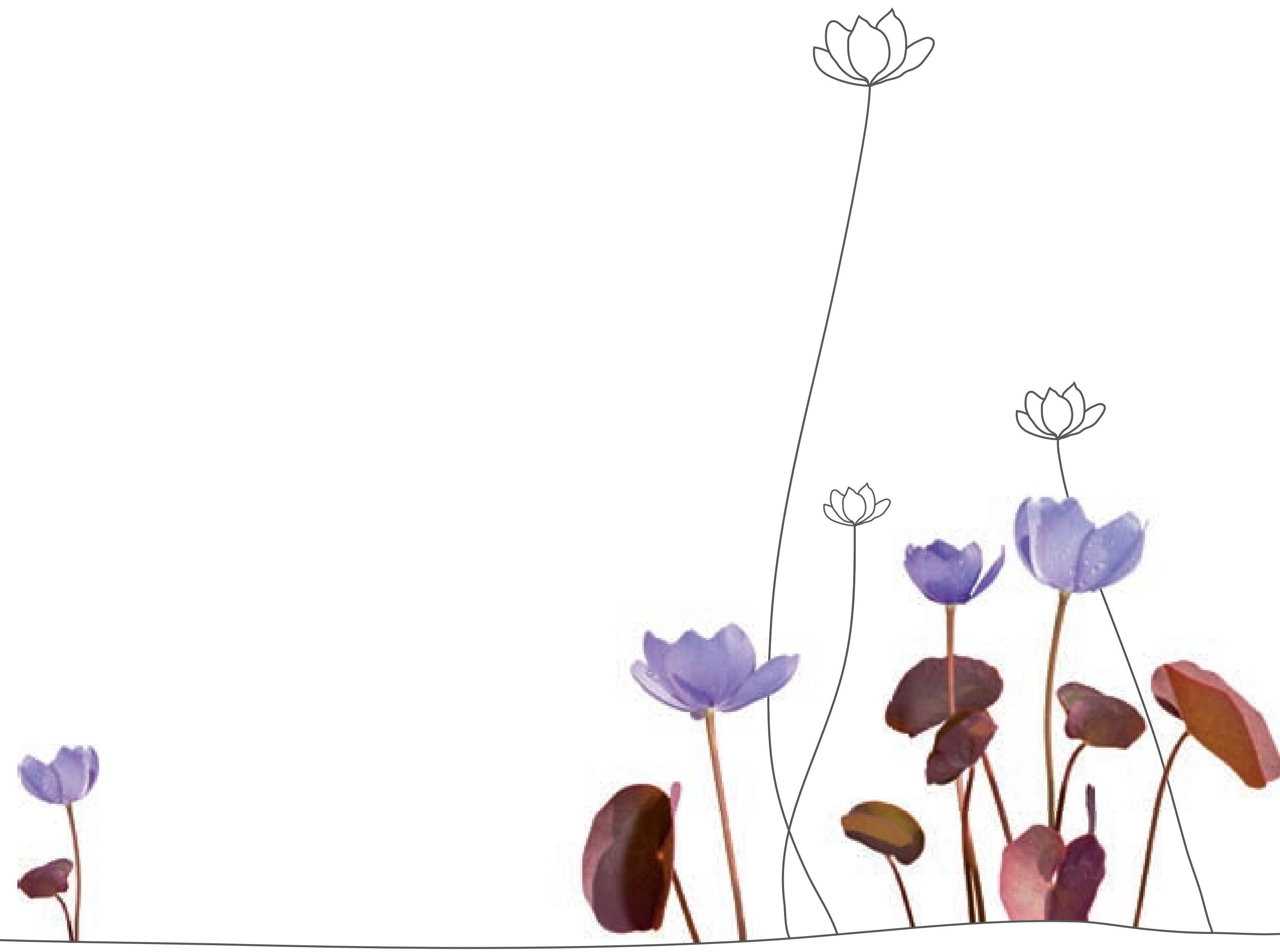
IBL Foundation will also be active in the *Eradication of Absolute Poverty* (EAP) *Programme* in a joint venture with the National Empowerment Fund.

Appreciation

We would like to thank all IBL's volunteers who have worked with the Permanent Committee in 2009 for their contribution. Their dedication to underprivileged children is remarkable. With their efforts, thousands of underprivileged children had a "sourire" in 2009.

Nicolas Merven
Chairman of IBL Foundation

Cécile Masson
Senior Manager Communication & CSR



Corporate Energy Management

Review of activities

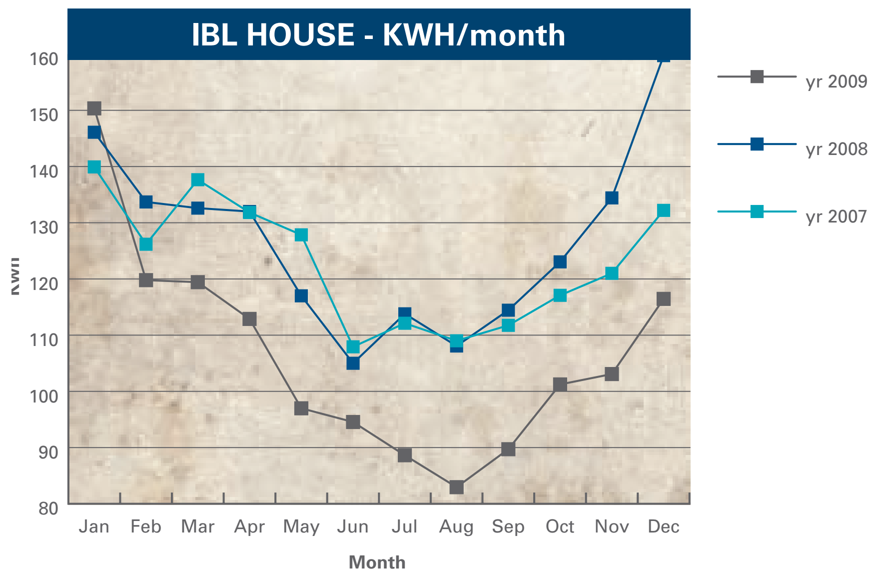
Thanks to the previous management who started the project of **Energy Savings** at the Head Office last year, a substantial reduction in energy consumption has been noted.

The operation of a power management system at **IBL House** associated with the implementation of energy-efficient measures (such as replacement of low-voltage halogen spotlights by CFL bulbs or eco lamps, the use of occupancy detectors in the washrooms, timely maintenance of the main air chiller, etc.), has contributed to a significant saving of nearly **16%** in the annual consumption of electricity in the building, thereby reducing running cost.

Awareness sessions on **"Sustainable Development"** have been conducted for management staff to further sensitise employees on the concept of MID. This is in line with the environmental principles of the **UN Global Compact** network of which IBL is a member.

IBL HOUSE - KWH/month

	2007	2008	2009	2008/ 2009
Jan	139,934	146,100	150,349	2.9%
Feb	126,175	133,700	119,788	-10.4%
Mar	137,656	132,600	119,430	-9.9%
Apr	131,824	132,000	112,889	-14.5%
May	127,824	117,000	96,987	-17.1%
Jun	107,927	105,000	94,551	-10.0%
Jul	112,118	113,800	88,635	-22.1%
Aug	109,000	108,074	82,955	-23.2%
Sep	111,748	114,440	89,710	-21.6%
Oct	117,090	123,042	101,235	-17.7%
Nov	121,000	134,422	103,082	-23.3%
Dec	132,200	159,732	116,453	-27.1%
JAN-DEC	1,474,520	1,519,909	1,276,064	



Prospects

The energy saving efforts already made will be maintained and extended to other main IBL sites across the island. Last year, the Group spent nearly Rs 100M on electricity bills. The aim this year is to reduce our electricity costs by another **20%**.

2010 looks promising, as we have already recorded the lowest power consumption in the month of February for the past three years. After replacing the spotlights at the Head Office, the intention is to use eco tubes fitted with electronic ballasts (which use less electrical energy for the same light output) instead of fluorescent tubes. This will not only contribute to savings in power consumption, but it will also help to reduce fire risks in the building.

The project of using eco lamps at Logidis in Riche Terre is currently being studied. The use of solar photo-voltaic panels on top of buildings is also being considered.

Lindsay Edwards
General Manager

Property Management,
Projects & Services

Management Team

François Desmarais - Chief Operating Officer
Property Management, Projects & Services

- **Deon Jacobsz** - Manager
  - **Lloyd Martin** - Manager
- **Rajen Venketasamy** - Finance Manager
- **Ben Payen** - Manager
  - **Danick Gueho** - Manager

Review of activities

In spite of the uncertain business climate linked to the financial crisis, I am pleased to report that we brought our building block to the performance of the Group during the year under review.

Whilst our larger real estate projects had to be put on the back burner until we resume a better visibility, we concentrated our efforts on improving the working environment of a number of operations and on relocation of certain activities. Projects completed include:

- Project management for the installation and commissioning of plants at Cervonic;
- The construction and completion of the new access road and boundary walls from the motorway M2 to IBL complex at Riche Terre;
- The upgrading and asphalting of the road at Blychem;
- The renovation of Dr Ferrière Street offices and relocation of Consulates, Indian Ocean Logistics and all aviation offices, including new offices for Air Austral;
- The project management and internal renovation of Consumer Goods and New Cold Storage at Riche Terre;
- The construction of the first office building for Riche Terre Office Park phase 1, plus the internal fit-out to receive Somatrans, Logidis and Transport Services. This new office building is the first new structure to be completed in a planned complex of offices and light industrial accommodation which will cater to the growing demand for business premises close to Port Louis. IBL has identified sustainability as one of the key parameters which will define its future property developments, and this building was designed with this policy in mind.
- Internal and external painting of IBL House and continuous energy saving actions as well as general maintenance of all IBL buildings to improve working conditions.

Prospects

It is hoped that, with the business climate improving, projects that were put on hold will now start gathering momentum. Indeed early in the year, time and effort have been spent on relaunching the following projects:

- The renovation of the ex-fish meal factory to house new business activities in Riche Terre;
- Stipping and complete structural renovation of IFC No 2 for new tenants, AXYS;
- The rehabilitation of IFC No 2 after fire outbreak, including new services to keep the complex operational;
- The re-launch of the Eden Garden Project at Floréal, with a revised accommodation package in line with market changes;
- The promotion of the Dr Ferrière Street, Bowen Towers project at IPEX in Sandton, South Africa in April with a view to attracting a strategic investment partner;
- The signing of a shareholder agreement with a new consortium of French partners including the aquarist Coutant in order to finance and start the construction of the Aquarium project in the beautiful Old Goods Warehouse at Caudan. This iconic project should create a new major attraction for tourists and Mauritians, whilst creating awareness of the importance of preserving our sea and eco-system.

Appreciation

The above was achieved notwithstanding reduced resources put at our disposal, coupled with stringent curtailment of costs and overheads. For this, the whole team at Property Management, Projects & Services must be commended for their efforts and discipline during the year under review.

François Desmarais
Chief Operating Officer

Property Management, Projects & Services - CSR initiatives & "Projets Sourire"

In line with Group Policy to focus on needy children for our CSR Projects, our CSR Sub-Committee has been very active in supporting several Non-Govenmental Organisations in 2009, as specified hereunder:

- **Seed Caritas de Sainte Croix** where 35 poor children were fed everyday. Basic needs were offered.
- **St Jacques RCA Souillac** in their school feeding project and for caring for about 108 children in need.
- **Mouvement Jeunesse de Chebel** where sports equipment and prizes were offered to the needy children to assist them in their extracurricular activities during holidays.
- **Service d'Écoute et d'Entraide de Cité La Ferme, Bambous** where 23 very poor children were given their daily basic necessities.
- **Keats College, Chemin Grenier** where 200 poor children were offered a meal every day and we assisted in their basic requirements.
- **L' Aventure Technical School for Disabled, Lallmatie** where there were around 52 poor kids and teenagers who needed help to live in a more pleasant environment. We assisted them by providing a TV set and a DVD for their educational and leisure programmes and playground equipment for their recreational area.
- **Committee on Poverty Association, Camp Firinga** where around 110 poor children were offered a meal every day.
- **St Pierre RCA** where football outfits were offered to 48 poor kids of St Pierre, Olivia, Montagne Blanche and Camp de Masque and food given to 20 very needy children.

As we noticed that some kids came to school barefoot, our CSR Sub-Committee also offered a pair of shoes to all the kids in need.

Apart from the above CSR Projects, our Department also helped The Mauritius Round Table No.1 in their assistance to blind children of "**Lisie dan la main**" and also helped the **Groupe Refugiés Chagos** in the organisation of a Christmas Party for poor children. Basic requirements were also offered to a group of children of La Valette, Bambous as well as Christmas gifts.

Financial Services Sector

Financial Services Sector

Management Team

Eric Venpin - Chief Operating Officer

- **Yves Méyépa** - Executive Director
  Mauritian Eagle Leasing
- **Eric Venpin** - Managing Director
  Mauritian Eagle Insurance
- **Jimmy Wong Yuen Tien** - Managing Director
  DTOS
- **Mervyn Chan** - General Manager
  Knights & Johns Management

Review of activities

The Sector

Despite the world economic crisis, we have managed to weather the storm and whilst turnover has remained static, contribution grew by 5.4% compared to last year. The results achieved have also been affected by the appreciation of the rupee.

Global Business

In US Dollar terms, our global business operations realized a growth of 9% in turnover, whereas profitability increased by 8%. In rupee terms, results are slightly up on last year.

We felt the impact of the global downturn in the first half of 2009. In the third quarter, enquiries started to flow in and were converted into firm business in the fourth quarter. Although the number of new set ups is lower than 2008, we have provided enhanced services to existing clients to boost income.

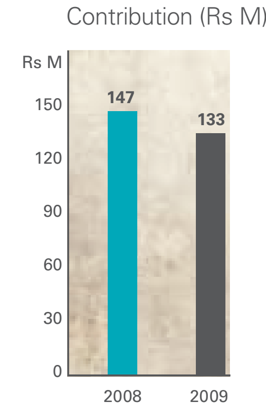
The political upheaval in Madagascar has affected the performance of **Knights & Johns Management Ltd** and there are still no signs of recovery. We have already started a complete and thorough review of this operation and appropriate measures will be taken.

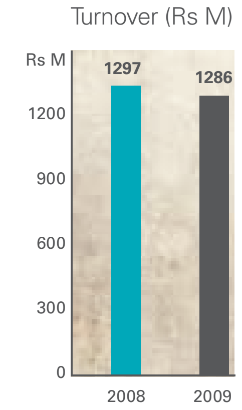
All other entities in this sector are performing according to plan.

Insurance

Gross Insurance premiums grew by 5%, represented by increases of 4% for general insurance and 8% for long term insurance. Having been spared major catastrophes, and as a result of strict reinsurance costs and expenses control, Net Underwriting Profit increased by 38%. Positive underwriting results have been achieved throughout the business cycle, with peaks in the accident and engineering departments.

Although the stock market started to turnaround in June 2009, return on investments is lower than last year, which was boosted by the sale of our stake in Highway Properties Ltd. Group Profit before Tax was impaired by certain bad debts and amounted to Rs 47.1M. Our general insurance fund was boosted by a further Rs 18.4M and stood at Rs 112.9M at the year end.





Our associate in the Seychelles, **H. Savy Insurance Co. Ltd**, performed well despite the entry of a new competitor on the market. Our share of profits was Rs 7M compared to Rs 4M in the previous year.

Leasing

Our portfolio stood at Rs 1.5 billion at 31 December 2009, which is similar to last year. Demand for finance leases has stabilized after falling for two consecutive years, whereas operating leases are similar to last year.

In this era of credit crunch, we have concentrated our efforts on debtors control with the setting up of an appropriate unit to chase and monitor our clients. Furthermore, valuation of assets is done on a more frequent basis to ascertain the market value. Profits were lower than expected as additional provision for asset impairment has been made. We believe that our level of provisioning is adequate and expect to see a turnaround in profitability in the current year.

Prospects

The insurance market remains highly competitive as operators are slashing rates to increase their share of market and in many cases to the detriment of profitability. The reinsurance market is still in a soft phase and, whilst we do not foresee an increase in rates, good rated reinsurers with the appropriate capacity and appetite for business are becoming scarce. Our aim is to continue our strict underwriting procedures for best classes of risks with a view to increase profitability. Although the stock market started to turnaround mid last year, it has not yet stabilized and we are actively monitoring our investments. Our mission for the current year is to enhance our level of service to our clients.

Since the beginning of the year, the number of new entities set up in the Global Business Sector has been satisfactory and we expect this trend to continue. We will continue developing new products to attract different types of clients and offer more services to our existing clients. The development of synergies within the Group will also be focused on. The 2009 Indian budget was silent on India/Mauritius Treaty but, at the same time, the mounting pressures from various organisations in India are being closely monitored by the Government and operators.

Although demand for leases still exists, we are acting prudently in the present economic environment. Our main priority will be the collection of debts and taking swift action against slow payers.

Appreciation

Even though 2009 was a difficult year, we have been able to achieve commendable results thanks to the hard work and dedication of our professional and support staff. The year ahead will also be challenging and I know that I can count on their commitment to grow the sector further.

Eric Venpin
Chief Operating Officer

Financial Services Sector - CSR initiatives and "Projets Sourire"

Throughout the year, the Financial Services Sector, with its CSR Sub-Committee and in line with the Group CSR policy, has been involved in many activities supporting disadvantaged and under-priviledged children in the community. We focused on education, working with primary and pre-primary schools by providing support such as educational tools, breakfast for kids, healthy and pleasant working environment and decent clothes. Employees across the sector have increasingly given their time and skills to help needy children, especially orphans, during Christmas when we organised fun days, gift surprises and distribution of drinks and food to six institutions. Our framework enables us to respond to the requirements of children in need with the help and support of our staff.

Logistics, Engineering & Commerce Sector

Logistics, Engineering & Commerce Sector

Management Team

Fabrizio Merlo - Chief Operating Officer

Vinod Gooroosawmy - General Manager Finance

LOGISTICS

Danny Ah Chong - General Manager

AIRLINE CARGO

Mario Heerah - Manager - **GSA Cargo**

SHIPPING AGENCIES

Lindley Anthony - Manager - **IBL Shipping / Lloyds Agency**

Mario Heerah - Manager - **Blyth Brothers**

LOGISTICS

Logidis

Somatrans

IBL Madagascar Operation

IBL Reunion Operation

Lindley Anthony - Manager - **UPS**

Robert Hungley - Manager - **IOL / IOL Express**

ENGINEERING

Eric Hardy - General Manager - **Manser Saxon Contracting**

Himmunt Jugduth - General Manager - **Blychem**

Jocelyn Labour - General Manager - **Scomat**

Gérard Goupille - General Manager - **Fit-Out (Mauritius)**

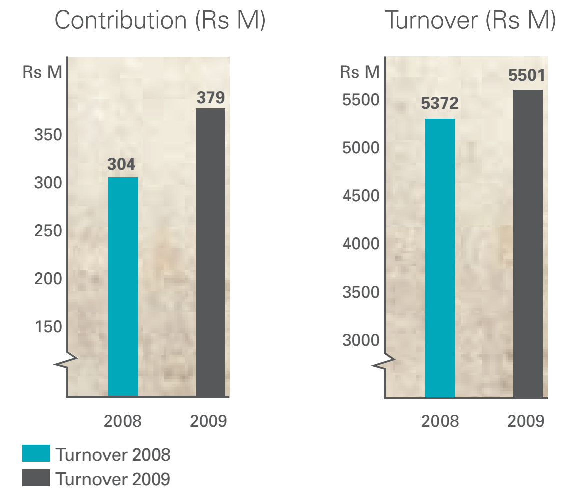
Patrick Webb - Manager - **Construction & Material Handling / IBL Electrical & Commercial Supplies**

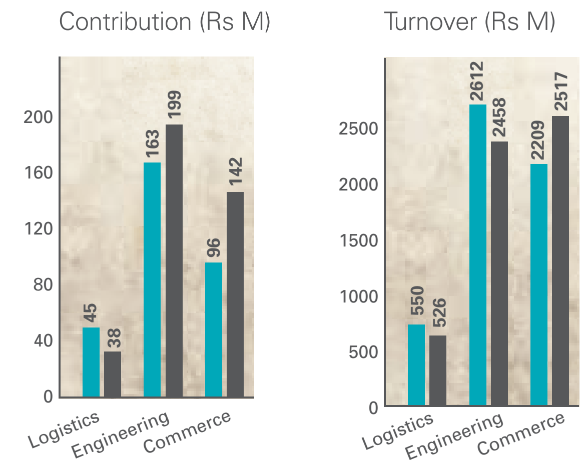
Bryn James - Manager - **RentEquip**

COMMERCE

Din Jheelan - General Manager - **Healthcare**

Jean-Michel Rouillard - General Manager - **IBL Consumer Goods / Frozen Foods (NCS)**





2009 was the third consecutive year of record profits for the **Logistics, Engineering & Commerce Sector** (LEC), despite a challenging international and local economic environment. **Blychem**, in the Engineering cluster, as well as **IBL Consumer Goods** and **IBL Healthcare**, in the Commerce cluster, had their best year ever. The majority of the other companies within the LEC Sector had strong performances, despite negative circumstances. The turnover of the sector increased by 2.4% to reach Rs 5.501 billion in 2009, compared to Rs 5.372 billion in 2008, with profits reaching Rs 379M compared to Rs 304M in 2008, that is an increase of 24.67%. Underpinning all this is the hard work and business intelligence of the sector's personnel and management, who continued with the past year's cost control initiatives, while optimizing opportunities across the sector.

Review of activities

Logistics

The Logistics cluster had a slight reduction in profitability in 2009, due to the overall challenging business environment. Turnover decreased from Rs 550M in 2008 to Rs 526M in 2009 and profits dropped from Rs 45M to Rs 38M.

Somatrans SDV and **Logidis** have, however, performed well and have increased their profitability by 9.3% and 18% respectively. **IOL** has unfortunately showed losses, caused by a large drop in their textile export sales, a reflection of the national export trends during that year of crisis. **IOL** also suffered some important debtors' write-offs.

Our shipping operations are showing a drop in profits. **Blyth Brothers Agency/MOL** had 34 liner vessels calling in Port Louis, achieving 4,693 teus (both Imports & Exports) whereas in 2008 we had 40 vessels with a total of 5,698 teus. This decrease in the number of teus was due to the world crisis, which resulted in an excess of supply over demand and freight rates falling drastically.

Logistics, Engineering & Commerce Sector (continued)

IBL Cargo GSA - BA, MD and UU - performed relatively well, and achieved good export figures, mainly on BA flights, moving out approximately 1,700 T.

Logidis, our warehouse operation, has shown an average occupancy rate of around 90% throughout the year resulting in a consistent and sustainable revenue stream, with more and more customers opting for outsourcing. Furthermore, the refurbishment of our cold rooms has been completed and a new Warehousing Management System has been installed. The cold rooms are already showing some 20% savings in energy and we are confident that with the new computer and tracking systems, our efficiency and productivity will increase significantly.

Our transport activities have shown significant growth in 2009. A vertical integration growth strategy offers an increasingly diversified range of services including FMCG distribution, personal effects and office moving services, taxi services, passenger transport and chilled and frozen goods distribution.

UPS courier services in Mauritius had a profitable year despite the economic crisis that has negatively affected both our main import and export market segments. Since September 2009, IBL represents **UPS** in Reunion, which makes IBL the sole representative of **UPS** for the Indian Ocean region, as we already had the Mauritian, Madagascar and Seychelles representations. **UPS Reunion** is performing satisfactorily and is already profitable after four months of operation under IBL' s management.

Despite the political and economic crisis in Madagascar, our logistics operations in Madagascar showed a small profit in 2009. We are, however, monitoring closely the performance of the Madagascar branch, in case there is any further deterioration of the business environment.

Engineering

Blychem had its best year ever, with a turnover of Rs 338.6M and PAI of Rs 37M in spite of unfavourable economic conditions that have seriously affected the tourism and textiles sectors, two of our main target markets. The main contributor to these results was the Agrochemicals activity that showed a growth in profitability of 29%.

Blychem has further developed opportunities arising from the *Maurice Ile Durable* concept to expand green technologies. In this context, we have successfully implemented the first and the largest private photovoltaic project in Mauritius (peak generation capacity 22.44kW) where power generated from the sun is used simultaneously with electricity from the grid to reduce the total power consumption from CEB.

The Water Treatment, Detergents and Irrigation activities of **Blychem** suffered the most from the economic crisis. Nevertheless, **Blychem** completed some important projects in these fields, such as the Bois Cheri water treatment plant; the supply of ion exchange resin for the removal of colour from raw sugar for the refinery at FUEL; and the design, supply and installation of the irrigation system for the first major project for the cultivation of rice in Mauritius - 50Ha at Rose Belle.

During the first semester of 2009, **Construction & Material Handling** (CMH) operation was affected by the freezing of some major projects. Fortunately, in the second half of the year, **CMH** managed to achieve better results by an even closer monitoring of costs and an aggressive sales strategy. The renewal of the service contract in the Port area has been a major contributor to **CMH**, achieving the budgeted profitability.

In the second half of the year, **IBL Electrical & Commercial Supplies** underwent a complete restructure, which resulted in increased synergy with **CMH**, reduction of costs and substantive increase in turnover and profitability. The net profit of this operation was 60% over the revised budget.

Manser Saxon's performance was satisfactory considering the difficult climate in the building sector for the first six months of 2009. Our turnover for the year was down from Rs 1.370 billion in 2008 to Rs 970M in 2009, showing a decrease of 30%. **Manser Saxon**'s profits also decreased from Rs 76.68M in 2008 to Rs 53M in 2009.

However, in 2009, the figures for **Manser Saxon** Dubai's operation were consolidated in the **Manser Saxon Group**'s financial reporting, which increased the turnover to Rs 1.187 billion and the profits to Rs 78.66M.

Scomat had a very strong year, with a turnover of Rs 531M in 2009 compared to Rs 474M in 2008. Profitability increased to Rs 38M in 2009 compared to Rs 23M in 2008. The **Scomat** team had challenging contracts this past year, among which the completion of the third power station in Seychelles and the complete re-powering of the National Coast Guard's ship, with two Caterpillar engines of 875Hp and generator sets. **Scomat** also increased the number of maintenance agreements with customers as well as their after-sales business. Moreover, a new line of CGM domestic generator sets was launched.

Commerce

The turnover of the Commerce cluster increased by 14% to reach Rs 2.517 billion in 2009 compared to Rs 2.209 billion in 2008, with profits reaching Rs 142M in 2009 compared to Rs 96M in 2008 - that is an overall increase of 48%.

For **IBL Consumer Goods**, 2009 was characterized by the re-affirmation of our leadership position in the Fast Moving Consumer Goods (FMCG) field with a growth in turnover of 17%, in a tough business environment. Net profits improved sharply by 60% to reach Rs 73M. Two main events marked the year, namely L'Oréal's 100 years of existence and Kraft's 50 year presence in Mauritius, which were both celebrated with partners, suppliers and customers.

Despite a difficult year with major structural changes brought to the operation, **IBL Frozen Foods** managed to achieve decent profitability and a ROCE of 16%. Growth in turnover (+2%) remains a challenging task given the non-branded nature of many product categories. The poor performance of chicken and fish during the year impacted significantly on sales and profits. On the operational side, a forecasting system was implemented during the second half of the year to better manage stocks.

IBL Healthcare had an exceptional year, with milestone achievement in terms of turnover. Part of this success is due to the completion of major projects in both public and private sectors, such as the procurement and installation of a Dual Source CT Scanner and a Digital Flat Panel X-Ray, amongst others, at Apollo Bramwell Hospital, and an Open Magnet MRI system at Victoria Hospital.

Our **Medical Equipment Operation** achieved its ISO 9001:2008 registration and opened two new retail outlets in Vacoas and Rose-Belle.

IBL Healthcare's Export Operation also performed well with a growth of 63% despite the financial crisis hitting Seychelles and the political crisis affecting Madagascar.

Logistics, Engineering & Commerce Sector (continued)

Prospects

Looking ahead, our key focus for 2010 is to maintain the momentum of improvement. The performance of the LEC Sector has been strong in the past 3 years, even going against the trend in 2009, a year of financial crisis. The companies operating in the LEC Sector hold leading positions in their fields of activity and all operate in mature markets. We are conscious that the economic outlook for us will remain a challenging and difficult one. We have to respond by being even more determined to seek value for money and best performance in all we do. In order to achieve further growth, the LEC Sector will require innovative strategies and lateral thinking.

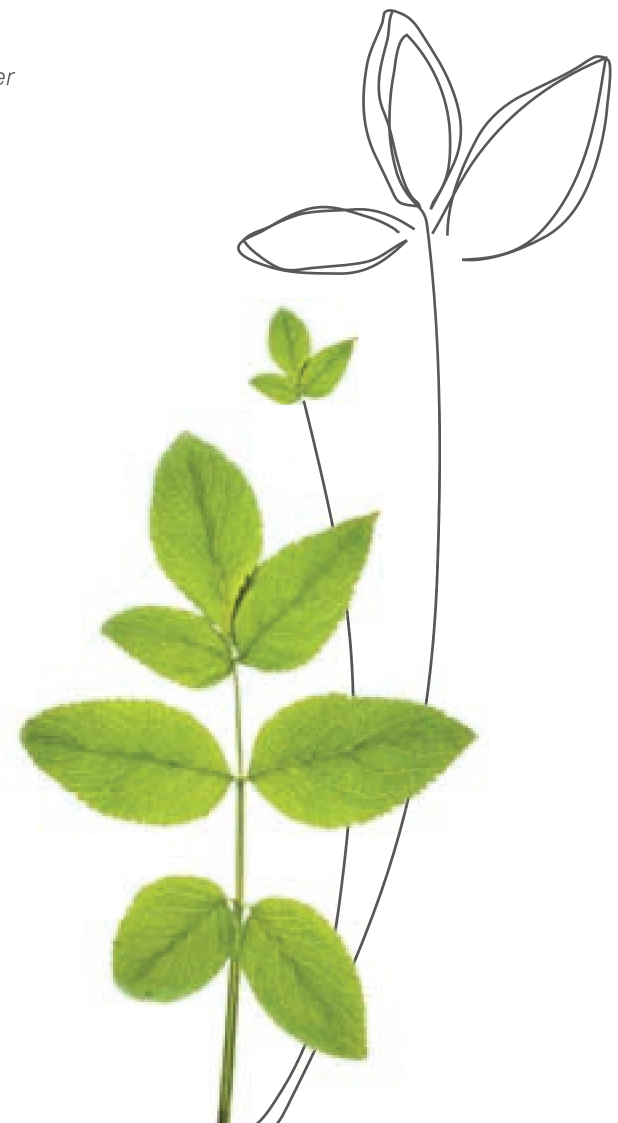
To underpin this, we will conduct a major update of our strategies, consulting widely on the operational priorities we should set. I am determined to pursue this vigorously, together with LEC's management team.

This said, we expect to achieve a slight improvement in the Commerce and Logistics clusters for 2010 and hope to maintain our position in the Engineering cluster.

Appreciation

Finally, I would like to extend my sincere thanks to the staff across all LEC companies, whose dedication and commitment enables the continued success of the LEC Sector.

Fabrizio Merlo
Chief Operating Officer



Logistics, Engineering & Commerce Sector - CSR initiatives and "Projets Sourire"

All the LEC companies are fully involved in IBL Foundation's work and, in that context, the individual companies have carried out various CSR initiatives in 2009. Simultaneously, the LEC CSR's actions, ongoing commitments and social partnerships have also been carried out.

The sector's long-term partnership with Caritas has continued and we have been a partner of Caritas' accredited project "Service d'Ecoute et de Développement" (SEED) programme for the third consecutive year. SEED is an overall project that includes 50 literacy centre throughout the island and 40 local community based development centre programmes. SEED includes elements of emergency relief and education, in which the LEC Sector has been an active partner for all the SEED centres in the Port Louis and surrounding regions (Roche Bois, Bois Marchand, Tranquebar, Cassis, Sainte Croix, Riche Terre and Pailles).

As such, the LEC Sector provides monthly emergency food relief to about 140 families in the Port Louis region, through a close partnership with SEED's social agents. Furthermore, as a partner of SEED's project "Groupe Eveil des tout petits", the LEC Sector completed the infrastructure installations for Groupe Eveil's kindergarten school in Roche Bois.

To further our involvement in the Roche Bois region's upliftment, the LEC Sector was a major contributor in the setting-up of a 5-acre Recreational and Sports Park in Roche Bois, which will be inaugurated shortly.

Retail Sector

Retail
Sector

Management Team

Nicolas Merven - Chief Operating Officer

- **Jean Philippe Venpin** - General Manager
- **Bernard Ah Ching** - Marketing Manager
- **Shy Askoorum** - IT Manager
- **Mervyn Govind** - Regional Manager
- **Sayad Jaunbocus** - Compliance Manager
- **Shyam Ramlall** - HR Manager
- **Sunil Ramsurrun** - Regional Manager
- **Preetam Raumoo** - Finance Manager
- **Shah Nawaz Shakhun** - Operations Manager

Review of activities

The **IBL Retail Sector** had a very good year 2009 with the consolidation of the **Winner's** chain while at the same time organising various activities for our customers, our stakeholders and our employees in the context of our 15th anniversary.

The **IBL Retail Sector** consists of 16 **Winner's** supermarkets around the island, as well as 13 strategically located commercial buildings (IBL Properties).

In early 2009 we initiated an action plan to prepare ourselves for the potential financial crisis and cost saving measures were implemented at all levels of the operations. It was also decided to reduce our capital expenditure to a strict minimum and to postpone the opening of new **Winner's**.

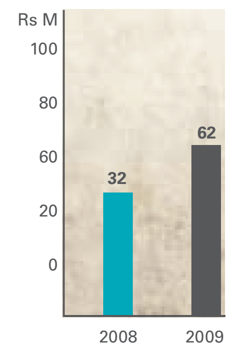
We are pleased to report that the action plan has given good results for year 2009 and, in spite of the economic crisis, we were also able to conduct growth initiatives while consolidating our existing supermarkets.

Total sales grew by 15.9% and have reached Rs 3.404 billion for 2009. The EBIT for the sector has reached Rs 93.84M, which represents 2.75% on sales.

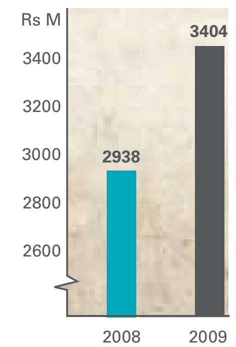
During 2009, we continued to improve the standard of our supermarkets as well as the level and quality of service. We also continued the implementation of various initiatives related to our programme "*Reaching New Heights*".

In July and August 2009, we held "*La Foire 15 Ans*" which was again a great success. **Winner's** attracted large crowds and achieved good sales during this period. This campaign was

Contribution (Rs M)



Turnover (Rs M)



very well received and was appropriate in these times of intelligent buying and pressure on household budgets.

The second half of 2009 saw prices of some specific foodstuffs going down and **Winner's** dropped the prices on a number of products for the benefit of our customers. **Winner's** has been battling hard to help the population face the continuous pressure on the household budget. In this context, **Winner's** continued to import a range of products of good quality at competitive prices.

The end of year promotion "*15 Ans de Bonheur*" aimed to bring joy to the population and it was a success. Our end of year lottery offered a Mega Star Prize of "*15 Ans de Provisions Gratuites*". On top of that we also had, for the first time, a Star Prize of Rs 100,000 + other cash prizes for each supermarket. The total prizes paid were Rs 2,652,000. This **Winner's** lottery was meant to close our 15th anniversary celebrations.

During 2009, our operations team continued the upgrading of some of our supermarkets and the main projects were:

1. The construction of a bakery at Roche Brunes and relooking of the entrance;
2. The upgrading of the frozen and chilled cabinets around the chain;
3. The preparation for the construction of a bakery at Flacq to start early 2010.

This upgrading gave good results in terms of additional sales and service to our customers while increasing the range of products offered.

These were also important to fight new competition and to compensate the loss of sales due to the new legislation banning all advertising and promotions on alcoholic drinks and cigarettes.

In 2009, there were also 3 events which need mentioning:

1. The pandemia of "Grippe A" hit the country and we took important preventive measures to protect our employees. In spite of the fact that **Winner's** receives more that 2,000,000 visitors per month, the impact on our operations was minimal.

Retail Sector (continued)

2. Health inspectors were very active in supermarkets and food companies. **Winner's** received many visits, including an early inspection and the quality of our standards and hygiene has been very good in general.

3. **Winner's** was the first supermarket chain to introduce recycled paper shopping bags in all its stores. We are very proactive regarding *Maurice Ile Durable* and other initiatives are being taken.

Winner's is committed to proximity shopping and we have been actively looking at new sites and opportunities in strategic and growth areas. The relocation of our Head Office has been postponed but is still a priority to support our development and to better service our supermarkets and customers.

Winner's collaborates with many organisations all year round to promote social and/or commercial activities. These activities are encouraging greater cooperation between **Winner's** and its customers and the population around the supermarkets.

End 2009, IBL sold its 49% shareholding in Shoprite (Mauritius) Ltd and this has generated an exceptional profit of Rs 21M for the **IBL Retail Sector.**

Prospects

The year 2010 marks the end of the financial crisis and we are therefore planning to open 2 new supermarkets: (1) **Winner's** at St Paul and (2) **Winner's** at Riviere du Rempart in the Riverside Centre.

Winner's is the leading supermarket chain in Mauritius and we are confident that the loyalty existing between our customers and our supermarkets will continue to grow during 2010. We are planning some refurbishments and improvements in selected supermarkets in order to facilitate the shopping of our customers.

We will also pursue the *"Total Continuous Improvement"* initiative at all levels of our operations. Together with our company long term project, *"Reaching New Heights"*, this will create a real focus on our common Vision.

There are many new important retail projects around the country which will increase competition. We are confident that the **IBL Retail Sector** will further improve its competitiveness, will continue to support the population and that the "Real Winners" will be our customers.

Appreciation

The business plan for 2010 onwards is challenging and we rely on the dedication of each team member to achieve our goals. I take this opportunity to thank all our staff for their dedication and loyalty. Together we will be *"Reaching New Heights"*.

Nicolas Merven
Chief Operating Officer

Winner's - CSR initiatives and "Projets Sourire"

The Winner's CSR Committee has collaborated with IBL Foundation for a number of "Projets Sourire" during 2009: support to specialised schools for handicapped children and to social centres for needy children, renovation works to Centre Joie de Vivre, Foyer Père Laval and Foyer Namasté. The children of African Town, Riambel, were given revision sessions for the CPE 2009 and in September, a distribution of food and clothes was organised there.

Winner's has also continued its sponsorship of the Centenarian Club and has offered a gift voucher of Rs 1,000 to each centenarian of the country on the occasion of their birthday.

Seafood & Marine Sector

Seafood & Marine Sector

Management Team

Patrice d'Hotman de Villiers - Chief Executive Officer

Patrice Robert - General Manager
Thon des Mascareignes

Maurice Rault - Managing Director
Froid des Mascareignes

Yves Le Mao - General Manager
Philippe Woo - Manager
Sébastien Martial - Assistant Manager
Marine Biotechnology Products

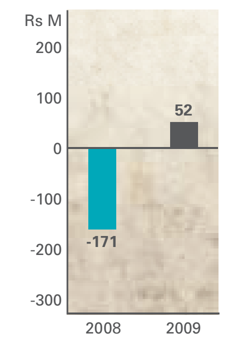
Capt. Jacques Goilot - Manager
Compagnie Thonière de l'Océan Indien

Suren Ramphul - Manager
Thierry Perrier - Marine Manager
Mario Geneviève - Technical Manager
Ship Owning, Ship Operation and Fishing Agency

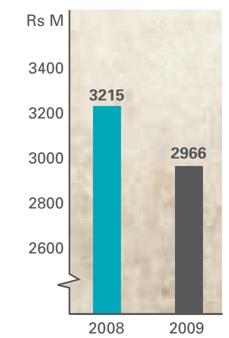
Jean-Yves Ruellou - General Manager
Chantier Naval de l'Océan Indien

Christopher Talbot - Manager
Mer des Mascareignes

Contribution (Rs M)



Turnover (Rs M)



Review of activities

The entities of the **Seafood Hub (SFH)** continued their improvement and turnaround with the 3 entities of **Thon des Mascareignes** (TDM), **Froid des Mascareignes** (FDM) and **Marine Biotechnology Products** (MBP) generating a net Profit before Tax (PBT) of Rs 73M in 2009. All three entities generated net positive cash flow from operations.

At **Thon des Mascareignes**, the factory operated at capacity with an average of 222 MT/day in 2009. Losses have been reduced to Rs 19M in 2009, which is a Rs 118M improvement on a PBT basis as compared to 2008.

Tuna loins still contributed to the biggest share of all exports, with two copackers taking a large proportion of the production capacity. The tuna pouch line has taken a more important share of the total exports in 2009; the line has operated at full capacity thanks to a strong commercial push to increase our market share in Europe with food importers, industrial food processors and retailers.

At **Froid des Mascareignes**, profits have improved by some Rs 28.3M in 2009 as compared to 2008. Cold rooms' average occupancy has reached an average of 88% for the year. A new dedicated room has been fitted out at -40 Deg C for *Sapmer* which will stock fish caught from their fleet in the Indian Ocean.

Marine Biotechnology Products is now in full operation, processing all the waste generated by **Thon des Mascareignes**, *Princes Tuna* and **Mer des Mascareignes**. Our production for the year was of 11,119 MT of fish meal and 836 T of fish oil.

2009 has been rich in events for **Chantier Naval de l'Océan Indien (CNOI)** (an associated company): the opening of our new 150 metres quay facilities, the dredging of 45 000m^3 of sand and rock in front of them to have a draught of approximately 8.5 metres, the launch of our ship elevator which has a maximum capacity of 1400 MT, and the purchase of two new cranes.

Concerning **CNOI**'s activities, we have received more than 30 tuna purse seiners among which a new client, *Echebastar*, a very big technical stop-off of more than 50 000 production hours for the French Navy frigate, the Nivose; the Marion Dufresne also stayed for more than a month, and, for the first time, we did hull repairs on an oil tanker of more than 100 metres.

For **Mer des Mascareignes** (an associated company), 2009 was a difficult year, as it is for any new enterprise penetrating new markets. Nevertheless, new clients were interested in trying better quality products which increased our sales figures. The Eastern Europe market had a tough time recovering from the crisis and caused a drop in sales in that region for the third quarter. *Sapmer*, our other shareholder, launched its new 1000 MT tuna seiner fishing vessel in June 2009. The fishing vessel offloaded its first catch of super frozen tuna at **Froid des Mascareignes** in September 2009. The fishing vessel offloaded another 450 MT of frozen yellow fin tuna in November and December for processing into tuna steaks and loins at **Mer des Mascareignes**.

All super frozen tuna offloaded from *Sapmer*'s tuna vessels will be processed in the factory.

Seafood & Marine Sector (continued)

Compagnie Thonière de l'Océan Indien (CTOI), with owned and chartered vessels *Sainte Rita* and *Etelis*, carried out a total of nine fishing campaigns in 2009 bringing in some 200 MT of fish. In November, *Sainte Rita* was chartered by the Ministry of Fishing to carry out an acoustic survey on Nazareth Bank. During the same period, a record catch of 72 MT of "Sacréchien Rouge" was made by the *Etelis* on the Chagos Banks. Some 24 MT of fish were exported to Italy and Taiwan. Our fish steaks are now being sold in all Winner's supermarkets.

In 2009, **IBL Shipowning & Management** has yielded a net profit after interest of Rs 22M for a turnover of Rs 71M. During the year under consideration, the IBL- owned vessel *Pelamis* made five voyages between Port-Victoria, Diego-Suarez and Port Louis, carrying 11,800 MT frozen tuna for **Thon des Mascareignes**. The tonnage is about 7,000 MT short of the tonnage carried in 2008 (18,600 MT). The causes of this drop in tonnage range from the fact that the vessel was out of service for one month (to undergo dry-docking and refurbishment works) to the low tuna catches throughout the past year.

Notwithstanding these considerations, the *Pelamis* remains an essential link in **IBL Seafood Sector** and no effort is spared to maintain and operate the vessel to the highest international standards. In this regard, a HACCP plan is about to be put in place to cover the vessel's operations, making the *Pelamis* the first tuna carrier in the world to achieve such high operational standards.

The challenges in operating the *Pelamis* are not limited to meeting, and often exceeding, the strict EU standards in respect of the carriage of frozen tuna, but also dealing effectively with the threat of piracy attacks in the South West Indian Ocean.

In this connection, the *Pelamis* embarks armed security guards before undertaking the sea passages between the Indian Ocean islands. The safety and security of the vessel, her crew and cargo are the first consideration.

The *Pelamis* is classed with Lloyds Register, which carries out annual surveys of the ship's condition and audits of her safety management system.

Prospects

Thon des Mascareignes will continue its strategy to move up the value chain and produce a bigger share of value added products. By end 2010, it plans to have a fully automated tuna pouch line; discussions are currently under way with machine suppliers. All key functions of the management team will continue to be reinforced.

Froid des Mascareignes will expand its cold room capacity by some 4000 MT by end 2010 and will be able to accommodate more volume from its existing customers as well as attract new customers.

Marine Biotechnology Products will continue to focus on quality as well as increase its export business which has been gradually growing, now representing 21% of its whole production. The commissioning of **Cervonic**, the Oil Factory, has been delayed. Its start-up is currently under way.

For **Mer des Mascareignes**, the prospects for 2010 are very positive, as *Sapmer's* second vessel will be launched in May 2010 and should offload its super frozen tuna in Port Louis **(Froid des Mascreignes)** in July 2010. The factory is now geared to process the super frozen tuna (-40 Deg C) and will begin its double shift enabling accelerated processing of the raw material from these vessels.

In 2010, **CTOI** will once again seek a British Indian Ocean Territory (BIOT) fishing licence to deploy the Etelis on the Chagos Bank. **CTOI** aims to process our catch into value added products to increase export market potential to Reunion Island, Europe and the Far East.

In 2009, **CNOI** operated its dry dock to its full capacity, and the ship elevator – which started operating in June – has been used for 140 days.

Appreciation

I would like to welcome Mr Yves Le Mao, a French national, who has joined us as head of the **Marine Biotechnology** and **Cervonic** operations.

I would like to thank all the employees of the **Seafood Hub** for their hard work in 2009.

Patrice d'Hotman de Villiers
Chief Executive Officer

Seafood & Marine Sector - CSR initiatives & "Projets Sourire"

In 2009, the Seafood & Marine Sector reinforced its CSR activities, with the main focus on the ZEP School in Baie du Tombeau. After several years of support, the Serge Coutet School has shown positive indicators: the rate of attendance has been on the increase and the pass rate at the CPE examinations has increased by 4%, where other ZEP Schools have seen their percentages decrease. This progress is the result of different programmes set up in collaboration with the school teachers and their Director. Throughout the year, a lot of infrastructure works have been done by the different companies to revamp the school and make it a safer place for the kids. A "remedial teacher" and a "liaison officer" have been also hired.

During the last quarter of the year, four of the kids attending school had their house burned down. Our sector mobilised itself to provide the first basic necessities. Furthermore, a special budget was allocated to rebuild the house.

At the end of the year, the Thon des Mascareignes HR team organised a lunch for all the school kids. The day was a big success. Besides the good food, a clown entertained the children, while the ladies were doing face painting. At the end of the day, Father Xmas distributed a present to each child, thus ensuring a present to these low income children, for a large percentage of whom suffer, from malnutrition.

One of the new initiatives during the year has been the "ateliers de vacances" in Baie du Tombeau with the association "Mouvement Bien-Être Batterie Cassée". With the help of volunteers, 50 kids have been able to spend time enjoying themselves, but also learning, during their school holidays. This initiative will take place again next year.

For the second consecutive year, Marine Biotechnology Products sponsored the feminine basketball team of Mer Rouge, which performed very well. For the coming year, MBP is setting up a new project of "Ecole de Basket" with the team, for the kids of the neighbourhood.

Aviation

Aviation

Management Team

Patrice d'Hotman de Villiers - Chief Executive Officer

- **Lindsay Edwards** - General Manager
  - **Nily Bunwaree** - Finance Manager
  - **Josian Caëtan** - Manager IBL Comores
  - **Alain Captieux** - Manager GSA
  - **Joëlle Grenouille** - HR Manager
  - **Delphine Lagesse** - Marketing Manager
  - **Irène Legris** - Sales Manager GSA
  - **Philippe Hannelas** - Manager **Equity**
  - **Fiona Rajah-Gopal** - Manager **IBL Travel**

Review of activities

The past two years have been very difficult for the airline industry in general. However 2009 has been the worst, due to the world economic crisis coupled with political instability and General Elections in the region. These factors have lead not only to flight reductions and cancellations but to some airlines pulling out for an indefinite period. Moreover, some airlines reduced their capacity by operating smaller aircraft, thus limiting availability of seats in some prime classes. Travel budgets have been curtailed not only by companies but also by holiday makers.

Therefore overall revenue dropped, resulting in a reduction of contribution for the various operations. Cost saving exercises have been implemented throughout the operations.

Prospects

In 2010, the aviation pole will comprise of the following General Sales Agencies:

- **Air Austral** - Managed by Australair General Sales Agency Ltd
- **Air Madagascar**
- **British Airways**
- **Cathay Pacific**
- **Dragon Air**

Over and above, **IBL Travel** and **Equity** will also form part of the team.

2010 could be as difficult as 2009 in the industry. One cannot foresee in advance the positive effect of the World Cup in South Africa versus adverse effects of the persisting world economic crisis.

The tendency of a partial recovery in the Tourism Industry has been noted during the past months, but this needs to be ascertained in the next semester.

New businesses have been secured for our various operations which will contribute positively to our revenue. Some areas will still be under pressure due to circumstances beyond our control. Overall we expect our revenue to grow substantially and expenses to be tightened.

Appreciation

I would like to thank the management and staff of our aviation pole for their loyalty, dedication and hard work during 2009.

Patrice d'Hotman de Villiers
Chief Executive Officer

Notice of Annual Meeting

Notice is hereby given that the thirty-eighth Annual Meeting of the shareholders of the Company will be held at l'Ibeloise, 6th Floor, IBL House, Caudan, Port Louis on Monday 28 June 2010 at 10.00 hours to transact the following business:

To consider and if thought fit to approve the following resolutions as Ordinary Resolutions:

Ordinary Resolutions

1. To adopt the minutes of proceedings of the thirty-seventh Annual Meeting held on 19 June 2009.
2. To receive and adopt the Company's and Group's Financial Statements for the year ended 31 December 2009 and the Directors' and Auditors' reports thereon.
3. To ratify the dividend paid in April 2010 as a final dividend.
4. To re-appoint Messrs Kemp Chatteris Deloitte as Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.
5. To appoint Mr Christian de Juniac as Director.
6. To appoint Mr Jason Harel as Director.
7. To appoint Mr Michel Guy Rivalland as Director.
8. To re-appoint Mr J.Cyril Lagesse as Director in compliance with Section 138(6) of the Companies Act 2001.
9. To re-elect as Directors of the Company by way of separate resolutions to hold office until the next Annual Meeting, the following persons:

   9.1 Mr Patrice d'Hotman de Villiers
   9.2 Mr Bertrand Hardy
   9.3 Mr Arnaud Lagesse
   9.4 Mr Thierry Lagesse
   9.5 Mr Gaetan Lan Hun Kuen
   9.6 Mr Jean Ribet
   9.7 Mr Louis Rivalland

By Order of the Board

Simon-Pierre Rey
Secretary
Port Louis, Mauritius
11 June 2010

A member entitled to attend and vote at the meeting may appoint any person, whether a member or not, to attend and vote in his stead. Proxy forms must be lodged at the registered office of the Company not less than twenty-four hours before the meeting. A proxy form is included in this Annual Report and is also available at the Registered Office of the Company, IBL House, Caudan, Port Louis.

Certificate from the Company Secretary

In terms of Section 166 (d) of the Companies Act 2001, I certify that the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act.

Simon-Pierre Rey
Secretary

29 March 2010