

PROMOTION AND DEVELOPMENT LIMITED
ABRIDGED AUDITED FINANCIAL STATEMENTS-30 JUNE 2009
STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	30 JUN 09 MRs 000	30 JUN 08 MRs 000	30 JUN 09 MRs 000	30 JUN 08 MRs 000
ASSETS				
Non-current assets				
Property, plant and equipment	216,740	582,539	83,917	6,765
Investment property	3,786,951	3,267,564	153,950	94,200
Intangible assets	3,961	4,756	395	546
Investments in subsidiary companies	-	-	975,934	1,111,211
Investments in associates	3,648,613	3,379,640	2,294,911	2,485,395
Available-for-sale financial assets	1,514,279	1,980,969	1,300,242	1,771,703
Non-current receivables	-	-	-	152,450
Deferred tax assets	-	1,124	-	1,124
	<u>9,170,544</u>	<u>9,216,592</u>	<u>4,809,349</u>	<u>5,623,394</u>
Current assets	<u>221,725</u>	<u>141,821</u>	<u>225,681</u>	<u>223,343</u>
Non-current assets classified as held for sale	<u>-</u>	<u>5,682</u>	<u>-</u>	<u>5,682</u>
Total assets	<u><u>9,392,269</u></u>	<u><u>9,364,095</u></u>	<u><u>5,035,030</u></u>	<u><u>5,852,419</u></u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	194,331	194,331	194,331	194,331
Other reserves	3,751,275	4,183,639	3,090,241	4,025,909
Retained earnings	2,958,945	2,788,172	1,535,139	1,447,208
Equity attributable to owners of the parent	6,904,551	7,166,142	4,819,711	5,667,448
Non-controlling interests	1,120,341	1,097,251	-	-
Total equity	<u>8,024,892</u>	<u>8,263,393</u>	<u>4,819,711</u>	<u>5,667,448</u>
Liabilities				
Non-current liabilities				
Borrowings	664,583	520,603	-	87,000
Income tax liabilities	1,157	-	653	-
Deferred tax liabilities	236,804	220,500	8,510	-
Retirement benefit obligations	12,499	8,118	7,721	5,415
	<u>915,043</u>	<u>749,221</u>	<u>16,884</u>	<u>92,415</u>
Current liabilities	<u>452,334</u>	<u>351,481</u>	<u>198,435</u>	<u>92,556</u>
Total liabilities	<u>1,367,377</u>	<u>1,100,702</u>	<u>215,319</u>	<u>184,971</u>
Total equity and liabilities	<u><u>9,392,269</u></u>	<u><u>9,364,095</u></u>	<u><u>5,035,030</u></u>	<u><u>5,852,419</u></u>
	MRs	MRs	MRs	MRs
Net assets per share	<u>177.65</u>	<u>184.38</u>	<u>124.01</u>	<u>145.82</u>
	No.	No.	No.	No.
Number of shares	<u>38,866,160</u>	<u>38,866,160</u>	<u>38,866,160</u>	<u>38,866,160</u>

INCOME STATEMENTS

	THE GROUP		THE COMPANY	
	30 JUN 09 MRs 000	30 JUN 08 MRs 000	30 JUN 09 MRs 000	30 JUN 08 MRs 000
Turnover	472,644	378,095	181,899	160,956
Operating expenses	(295,118)	(226,340)	(46,246)	(40,786)
	177,526	151,755	135,653	120,170
(Loss)/profit on disposal of shares	(32,236)	174,889	5,638	174,889
Surplus on distribution of assets by associate	-	-	-	493,309
Net gain from fair value adjustment on investment property	123,720	751,877	59,750	-
Finance income	5,027	1,002	31,138	30,000
Finance costs	(70,621)	(19,271)	(24,305)	(20,659)
Share of results of associates	121,550	45,771	-	-
Negative goodwill of associates	17,425	15,772	-	-
Profit before taxation	342,391	1,121,795	207,874	797,709
Taxation	(33,157)	(114,046)	(13,061)	(7,179)
Profit for the year	309,234	1,007,749	194,813	790,530
Attributable to:				
Owners of the parent	268,532	706,364	194,813	790,530
Non-controlling interests	40,702	301,385	-	-
	309,234	1,007,749	194,813	790,530
Earnings per share	MRs 6.91	MRs 18.17		

STATEMENTS OF COMPREHENSIVE INCOME

	Retained Earnings MRs 000	Other Reserves MRs 000	Total 30 JUN 09 MRs 000	Retained Earnings MRs 000	Other Reserves MRs 000	Total 30 JUN 08 MRs 000
THE GROUP						
Profit for the year	309,234	-	309,234	1,007,749	-	1,007,749
Other comprehensive income:						
Consolidation adjustment on transfer of associates to non-current assets classified as held for sale	-	-	-	1,019	604	1,623
Group's share of movement in reserves of associates	9,123	(51,593)	(42,470)	(2,880)	31,068	28,188
Release on transfer from available-for-sale financial assets to associates	-	5,962	5,962	-	-	-
Release on impairment of available-for-sale financial assets	-	487	487	-	-	-
Release on disposal of available-for-sale financial assets	-	20,347	20,347	-	(124,165)	(124,165)
Release on distribution of available-for-sale financial assets	-	(632)	(632)	-	93	93
Fair value (losses)/gains on available-for-sale financial assets	-	(409,415)	(409,415)	-	296,002	296,002
Currency translation differences	-	4,541	4,541	-	(30,561)	(30,561)
Comprehensive income for the year, net of tax	9,123	(430,303)	(421,180)	(1,861)	173,041	171,180
Total comprehensive income for the year	318,357	(430,303)	(111,946)	1,005,888	173,041	1,178,929
Attributable to:						
Owners of the parent	277,655	(432,364)	(154,709)	704,503	167,200	871,703
Non-controlling interests	40,702	2,061	42,763	301,385	5,841	307,226
	318,357	(430,303)	(111,946)	1,005,888	173,041	1,178,929

THE COMPANY

Profit for the year	194,813	-	194,813	790,530	-	790,530
Other comprehensive income:						
Decrease in fair value of subsidiaries	-	(135,277)	(135,277)	-	(178,458)	(178,458)
Decrease in fair value of associates	-	(428,033)	(428,033)	-	(35,598)	(35,598)
(Decrease)/increase in fair value of available-for-sale financial assets	-	(367,237)	(367,237)	-	342,968	342,968
Release on dissolution of associates	-	-	-	-	(493,309)	(493,309)
Release on impairment of available-for-sale financial assets	-	487	487	-	-	-
Release on disposal of available-for-sale financial assets	-	(4,976)	(4,976)	-	(124,165)	(124,165)
Release on distribution of available-for-sale financial assets	-	(632)	(632)	-	93	93
Comprehensive income for the year, net of tax	-	(935,668)	(935,668)	-	(488,469)	(488,469)
Total comprehensive income for the year	194,813	(935,668)	(740,855)	790,530	(488,469)	302,061

STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent				Non-controlling Interests MRs 000	Total Equity MRs 000
	Share Capital MRs 000	Other Reserves MRs 000	Retained Earnings MRs 000	Total MRs 000		
At 1 July 2007	194,331	4,016,439	2,161,401	6,372,171	809,698	7,181,869
Dividend	-	-	(77,732)	(77,732)	(19,673)	(97,405)
Total comprehensive income for the year	-	167,200	704,503	871,703	307,226	1,178,929
At 30 June 2008	194,331	4,183,639	2,788,172	7,166,142	1,097,251	8,263,393
At 1 July 2008	194,331	4,183,639	2,788,172	7,166,142	1,097,251	8,263,393
Dividend	-	-	(106,882)	(106,882)	(19,673)	(126,555)
Total comprehensive income for the year	-	(432,364)	277,655	(154,709)	42,763	(111,946)
At 30 June 2009	194,331	3,751,275	2,958,945	6,904,551	1,120,341	8,024,892

THE COMPANY	Share	Other	Retained	Total
	Capital MRs 000	Reserves MRs 000	Earnings MRs 000	MRs 000
At 1 July 2007	194,331	4,514,378	734,410	5,443,119
Dividend	-	-	(77,732)	(77,732)
Total comprehensive income for the year	-	(488,469)	790,530	302,061
At 30 June 2008	194,331	4,025,909	1,447,208	5,667,448
At 1 July 2008	194,331	4,025,909	1,447,208	5,667,448
Dividend	-	-	(106,882)	(106,882)
Total comprehensive income for the year	-	(935,668)	194,813	(740,855)
At 30 June 2009	194,331	3,090,241	1,535,139	4,819,711

STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	30 JUN 09 MRs 000	30 JUN 08 MRs 000	30 JUN 09 MRs 000	30 JUN 08 MRs 000
Net cash generated from operating activities	145,886	118,778	143,203	94,592
Net cash (used in)/generated from investing activities	(297,087)	(326,529)	(189,691)	176,670
Net cash flow before financing	(151,201)	(207,751)	(46,488)	271,262
Net cash from/(used in) financing activities	127,081	300,934	31,301	(144,011)
(Decrease)/increase in cash and cash equivalents	(24,120)	93,183	(15,187)	127,251
Cash and cash equivalents at 1 July,	(54,157)	(146,164)	571	(126,565)
Effect of foreign exchange rate changes	(1,952)	(1,176)	(4)	(115)
Cash and cash equivalents at 30 June,	(80,229)	(54,157)	(14,620)	571
Analysis of cash and cash equivalents				
Bank and cash balances	2,303	1,243	750	741
Bank overdrafts	(82,532)	(55,400)	(15,370)	(170)
	(80,229)	(54,157)	(14,620)	571

NOTES

- The abridged financial statements are audited and have been prepared in accordance and comply with International Financial Reporting Standards (IFRS).
- IAS 1 (Revised 2007), 'Presentation of financial statements' and IFRS 8, 'Operating segments' (both effective from 1st January 2009) were early adopted in 2009. These standards only impact on the presentation and disclosure aspect and there is no impact on earnings per share.
- Net asset value per share (NAV)
The downturn in the local and overseas stock markets has had an adverse impact on the performance of the company. At group level, the NAV stood at MRs 177.65, compared to MRs 184.38 at the start of the financial year whilst the company's NAV decreased from MRs 145.82 to MRs 124.01.
- Investment property
The group's land and buildings have been revalued at their fair value on June 30, 2009 by Messrs Alan Tinkler, Ramlackhan & Co, Chartered Valuers. In the case of Le Caudan Waterfront, the value determined by the valuer has been adjusted downwards to reflect the current economic conditions. Values in respect of all other land and buildings have been reflected in full in the financial statements. The surplus on valuation of investment property recognised in the income statements amounted to MRs 123.7m at group level and MRs 59.7m at company level. Following the completion of the Dias Pier building (Le Caudan Waterfront Phase II), the building in progress previously included in property, plant and equipment has been transferred to investment property.
- Associates
During the year, the company increased its shareholding in Mauritius Freeport Development Company Ltd (MFD) from 17.65% to 23.36%. Thereafter, MFD has been treated as an associated company and accounted for under the equity method.
Our group underlying adjusted profit was favourably affected by the improved performance of the Medine group which benefited largely from the gain on exchange on the foreign currency position within the Tamarina IRS project.

	THE GROUP		THE COMPANY	
	30 JUN 09 MRs 000	30 JUN 08 MRs 000	30 JUN 09 MRs 000	30 JUN 08 MRs 000
- Taxation				
Based on the profit for the year, as adjusted for tax purposes at 15%	(7,593)	(2,857)	(3,427)	-
Alternative minimum tax	(3,727)	(7,266)	-	(2,349)
(Under)/overprovision of tax in previous year	(4,409)	3,543	-	-
Deferred tax	(17,428)	(107,466)	(9,634)	(4,830)
Charge for the year per income statement	(33,157)	(114,046)	(13,061)	(7,179)
Share of tax of associates	(1,545)	(3,971)	-	-
	(34,702)	(118,017)	(13,061)	(7,179)

- Earnings per share

The earnings per share has been calculated as follows:

	THE GROUP	
	30 JUN 09 MRs 000	30 JUN 08 MRs 000
Profit attributable to owners of the parent	268,532	706,364
Weighted average number of shares in issue	38,866,160	38,866,160

- The directors consider it helpful to show an adjusted profit, by making adjustments to exclude the surplus on valuation of investment property, net of tax and profit or loss on disposal of shares.

	THE GROUP		THE COMPANY	
	30 JUN 09 MRs 000	30 JUN 08 MRs 000	30 JUN 09 MRs 000	30 JUN 08 MRs 000
Profit attributable to owners of the parent	268,532	706,364	194,813	790,530
Loss/(profit) on disposal of shares	32,236	(174,889)	(5,638)	(174,889)
Surplus on distribution of assets by associate	-	-	-	(493,309)
Net gain from fair value adjustment on investment property	(123,720)	(751,877)	(59,750)	-
Less: non-controlling interests	13,659	300,826	-	-
Deferred income tax thereon	12,033	59,653	8,962	-
Profit excluding fair value adjustments and disposal of shares	202,740	140,077	138,387	122,332

- Segment reporting

	Property MRs 000	Shares MRs 000	Security MRs 000	Other MRs 000	Eliminations MRs 000	Total MRs 000
Jun-09						
External sales	225,737	74,062	169,370	3,475	-	472,644
Intersegment sales	128	107,853	14,311	10,389	(132,681)	-
Total Revenue	225,865	181,915	183,681	13,864	(132,681)	472,644
Segment result	98,562	163,024	12,085	13,864	(110,009)	177,526
Jun-08						
External sales	185,582	64,458	126,526	1,529	-	378,095
Intersegment sales	837	90,028	12,904	17,429	(121,198)	-
Total Revenue	186,419	154,486	139,430	18,958	(121,198)	378,095
Segment result	85,573	137,747	9,888	18,965	(100,418)	151,755

- An interim dividend of MRe 1.00 per share was declared in December 2008 and paid on January 29th, 2009, while a final dividend of MRs 1.75 per share was declared in June 2009 and paid on August 4th, 2009. The overall dividend amounted to MRs 2.75 per share an increase of 37.5% over 2008.

- The statement of direct and indirect interests of Insiders pursuant to rule 8(2)(m) of the Securities(Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the secretary, free of charge, at Promotion and Development Ltd ,8th Floor, Dias Pier Building, Le Caudan Waterfront, Port-Louis.

- These abridged financial statements were approved for issue by the Board of Directors on 16th September 2009

By order of the board
Jocelyne Martin
Secretary
16th September 2009

These abridged financial statements are issued pursuant to listing rule 12.14 and section 88 of the Securities Act 2005.

The Board of Directors of Promotion and Development Ltd accepts full responsibility for the accuracy of the information contained in these abridged financial statements. Copies of the abridged and full audited financial statements are available upon request from the secretary, free of charge, at Promotion And Development Ltd, 8th Floor, Dias Pier Building, Le Caudan Waterfront, Port Louis.