

PROMOTION AND DEVELOPMENT LIMITED

ABRIDGED AUDITED FINANCIAL STATEMENTS

30 JUNE 2010



STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	2010 MRs 000	2009 MRs 000	2010 MRs 000	2009 MRs 000
ASSETS				
Non-current assets				
Property, plant and equipment	284,340	216,580	107,682	83,917
Investment property	3,790,612	3,786,951	149,650	153,950
Intangible assets	4,201	4,121	446	395
Investments in subsidiary companies	-	-	964,675	975,934
Investments in associates	3,647,781	3,648,613	3,048,290	2,294,911
Investments in available-for-sale financial assets	1,665,202	1,514,279	1,451,578	1,300,242
	<u>9,392,136</u>	<u>9,170,544</u>	<u>5,722,321</u>	<u>4,809,349</u>
Current assets	<u>158,903</u>	<u>221,725</u>	<u>242,530</u>	<u>225,681</u>
Total assets	<u>9,551,039</u>	<u>9,392,269</u>	<u>5,964,851</u>	<u>5,035,030</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	194,331	194,331	194,331	194,331
Other reserves	3,895,262	3,751,275	3,873,471	3,090,241
Retained Earnings	2,897,965	2,958,945	1,583,517	1,535,139
Equity attributable to owners of the parent	6,987,558	6,904,551	5,651,319	4,819,711
Non-controlling interests	1,095,122	1,120,341	-	-
Total equity	8,082,680	8,024,892	5,651,319	4,819,711
Liabilities				
Non-current liabilities				
Borrowings	604,166	664,583	-	-
Income tax liabilities	252	1,157	-	653
Deferred tax liabilities	240,346	236,804	8,552	8,510
Retirement benefit obligations	19,209	12,499	11,346	7,721
	<u>863,973</u>	<u>915,043</u>	<u>19,898</u>	<u>16,884</u>
Current liabilities	<u>604,386</u>	<u>452,334</u>	<u>293,634</u>	<u>198,435</u>
Total liabilities	<u>1,468,359</u>	<u>1,367,377</u>	<u>313,532</u>	<u>215,319</u>
Total equity and liabilities	<u>9,551,039</u>	<u>9,392,269</u>	<u>5,964,851</u>	<u>5,035,030</u>
	MRs	MRs	MRs	MRs
Net assets per share	<u>179.79</u>	<u>177.65</u>	<u>145.40</u>	<u>124.01</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>

STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	2010 MRs 000	2009 MRs 000	2010 MRs 000	2009 MRs 000
Turnover	491,175	472,644	146,198	181,899
Operating expenses	(342,905)	(295,118)	(57,770)	(46,246)
	<u>148,270</u>	<u>177,526</u>	<u>88,428</u>	<u>135,653</u>
Profit/(loss) on disposal of shares	1,281	(32,236)	1,281	5,638
Impairment of available-for-sale financial assets	(71,184)	-	-	-
Profit on disposal of properties	1,395	-	1,395	-
Net gain from fair value adjustment on investment property	-	123,720	-	59,750
Finance income	1,183	5,027	1,434	31,138
Finance costs	(84,822)	(70,621)	(16,443)	(24,305)
Distribution of shares from associates	-	-	50,057	-
Share of results of associates	(14,300)	121,550	-	-
Negative goodwill of associates	11,663	17,425	-	-
	<u>(6,514)</u>	<u>342,391</u>	<u>126,152</u>	<u>207,874</u>
Taxation	(9,892)	(33,157)	(42)	(13,061)
(Loss)/profit for the year	<u>(16,406)</u>	<u>309,234</u>	<u>126,110</u>	<u>194,813</u>
Other comprehensive income:				
Group's share of other comprehensive income of associates	25,398	(42,470)	-	-
Movement on available-for-sale financial assets	28,109	26,164	(1,281)	(5,121)
Fair value gains/(losses) on available-for-sale financial assets	139,954	(409,415)	126,786	(367,237)
Fair value losses on subsidiaries	-	-	(23,755)	(135,277)
Fair value gains/(losses) on associates	-	-	681,480	(428,033)
Currency translation differences	(9,848)	4,541	-	-
	<u>183,613</u>	<u>(421,180)</u>	<u>783,230</u>	<u>(935,668)</u>
Comprehensive income for the year, net of tax	<u>167,207</u>	<u>(111,946)</u>	<u>909,340</u>	<u>(740,855)</u>
(Loss)/profit for the year	<u>(35,967)</u>	<u>268,532</u>	<u>126,110</u>	<u>194,813</u>
Attributable to:				
Owners of the parent	19,561	40,702	-	-
Non-controlling interests	<u>(16,406)</u>	<u>309,234</u>	<u>126,110</u>	<u>194,813</u>
Total comprehensive income for the year	<u>145,492</u>	<u>(154,709)</u>	<u>909,340</u>	<u>(740,855)</u>
Attributable to:				
Owners of the parent	21,715	42,763	-	-
Non-controlling interests	<u>167,207</u>	<u>(111,946)</u>	<u>909,340</u>	<u>(740,855)</u>
	MRs	MRs	MRs	MRs
(Loss)/earnings per share	<u>(0.93)</u>	<u>6.91</u>		

STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Share Capital MRs 000	Other Reserves MRs 000	Retained Earnings MRs 000	Total MRs 000	Non Controlling interests MRs 000	Total Equity MRs 000
THE GROUP						
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
At 1 July 2009	194,331	3,751,275	2,958,945	6,904,551	1,120,341	8,024,892
Dividend	-	-	(77,732)	(77,732)	(19,191)	(96,923)
Effect of increase in shareholding of subsidiary company	-	-	15,247	15,247	(27,743)	(12,496)
Total comprehensive income for the year	-	143,987	1,505	145,492	21,715	167,207
At 30 June 2010	<u>194,331</u>	<u>3,895,262</u>	<u>2,897,965</u>	<u>6,987,558</u>	<u>1,095,122</u>	<u>8,082,680</u>
	Share Capital MRs 000	Other Reserves MRs 000	Retained Earnings MRs 000	Total MRs 000	Non Controlling interests MRs 000	Total Equity MRs 000
THE COMPANY						
At 1 July 2008	194,331	4,025,909	1,447,208	5,667,448	-	5,667,448
Dividend	-	-	(106,882)	(106,882)	-	(106,882)
Total comprehensive income for the year	-	(935,668)	194,813	(740,855)	-	(740,855)
At 30 June 2009	194,331	3,090,241	1,535,139	4,819,711	-	4,819,711
At 1 July 2009	194,331	3,090,241	1,535,139	4,819,711	-	4,819,711
Dividend	-	-	(77,732)	(77,732)	-	(77,732)
Total comprehensive income for the year	-	783,230	126,110	909,340	-	909,340
At 30 June 2010	<u>194,331</u>	<u>3,873,471</u>	<u>1,583,517</u>	<u>5,651,319</u>		<u>5,651,319</u>

STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2010 MRs 000	2009 MRs 000	2010 MRs 000	2009 MRs 000
Net cash generated from operating activities	131,433	145,886	111,311	143,203
Net cash used in investing activities	(154,706)	(297,087)	(85,280)	(189,691)
Net cash flow before financing	(23,273)	(151,201)	26,031	(46,488)
Net cash (used in)/from financing activities	(284,452)	127,081	(248,984)	31,301
Decrease in cash and cash equivalents	(307,725)	(24,120)	(222,953)	(15,187)
Cash and cash equivalents at beginning of the year	(80,229)	(54,157)	(14,620)	571
Effect of foreign exchange rate changes	(426)	(1,952)	(69)	(4)
Cash and cash equivalents at end of the year	<u>(388,380)</u>	<u>(80,229)</u>	<u>(237,642)</u>	<u>(14,620)</u>
Analysis of cash and cash equivalents				
Bank and cash balances	1,316	2,303	679	750
Bank overdrafts	(389,696)	(82,532)	(238,321)	(15,370)
	<u>(388,380)</u>	<u>(80,229)</u>	<u>(237,642)</u>	<u>(14,620)</u>

NOTES

- The abridged financial statements are audited and have been prepared in accordance and comply with International Financial Reporting Standards (IFRS).
- Our group results have been impacted by:
 - the tough economic environment which prevailed throughout 2010 and a sluggish office demand;
 - the impact of increased financial costs associated with our reduced cash flow position and
 - a substantial drop in the results of Medine, our 32% associate.
- The impairment adjustment of MRs 71m is in respect of our subsidiary's investment made in a cable network project which is presently under judicial administration.
- The directors have reassessed the fair values of the investment properties at June 30th 2010. Given that the economic and property market conditions are similar to that prevailing at June 30th 2009, no revaluation adjustment to the carrying values of the investment properties has been reflected in this year's accounts.
- At company level, a profit of MRs 50m has been recognised in respect of the distribution by Medine of its shares held in SODIA. This adjustment merely involved a redistribution of shares previously held via Medine and did not impact on the cash flows of the company.
- The group's NAV increased from MRs 177.65 at the start of the financial year to MRs 179.79 at 30th June 2010, whilst the company's NAV increased from MRs 124.01 to MRs 145.40.
- An interim dividend of MRs 1.00 per share was declared in December 2009 and paid on February 16th, 2010, while a final dividend of MRs 1.00 per share was declared in June 2010 and paid on August 11th, 2010.
- 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 Limited, 8th Floor, Dias Pier Building, Le Caudan Waterfront, Port Louis.

- Segment reporting

	PROPERTY MRs 000	SHARES MRs 000	SECURITY MRs 000	OTHER MRs 000	Eliminations MRs 000	Total MRs 000
June 2010						
External sales	246,193	61,237	181,197	2,548	-	491,175
Intersegment sales	2,572	80,215	19,919	8,985	(111,691)	-
Total revenues	<u>248,765</u>	<u>141,452</u>	<u>201,116</u>	<u>11,533</u>	<u>(111,691)</u>	<u>491,175</u>
Segment result	<u>106,102</u>	<u>109,198</u>	<u>2,445</u>	<u>11,533</u>	<u>(81,008)</u>	<u>148,270</u>
June 2009						
External sales	225,737	74,062	169,370	3,475	-	472,644
Intersegment sales	128	107,853	16,533	10,389	(134,903)	-
Total Revenues	<u>225,865</u>	<u>181,915</u>	<u>185,903</u>	<u>13,864</u>	<u>(134,903)</u>	<u>472,644</u>
Segment result	<u>98,562</u>	<u>163,024</u>	<u>12,085</u>	<u>13,864</u>	<u>(110,009)</u>	<u>177,526</u>

- (Loss)/earnings per share

The (loss)/earnings per share has been calculated as follows:

	2010 MRs 000	2009 MRs 000
(Loss)/profit attributable to owners of the parent	<u>(35,967)</u>	<u>268,532</u>
Weighted average number of shares in issue	<u>38,866,160</u>	<u>38,866,160</u>

These abridged financial statements were approved for issue by the Board of Directors on 21st September 2010.

By order of the board
Jocelyne Martin
Secretary
21st September 2010

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.