



MAURITIAN EAGLE INSURANCE COMPANY LTD

ABRIDGED AUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

ABRIDGED INCOME STATEMENTS	THE GROUP		THE COMPANY	
	Year ended 31 December 2008		Year ended 31 December 2007	
	Audited Rs 000	Audited Rs 000	Audited Rs 000	Audited Rs 000
Gross insurance premiums	720,122	749,721	720,181	749,894
Gross lease rental income	340,772	378,010	-	-
	1,060,894	1,127,731	720,181	749,894
Net revenue	505,837	555,724	351,375	409,153
Profit from operations	295,735	364,250	150,477	216,732
Profit before taxation	68,066	55,981	56,806	43,400
Taxation	(9,489)	(8,629)	(6,973)	(5,806)
Profit after taxation	58,577	47,352	49,833	37,594
Transfer to statutory reserve fund	(707)	(1,779)	-	-
Profit for the period	57,870	45,573	49,833	37,594
Attributable to:				
Equity holders of the parent	55,908	42,017	49,833	37,594
Minority interest	1,962	3,556	-	-
	57,870	45,573	49,833	37,594
Earnings per share (Rs)	6.99	5.25	6.23	4.70
No of shares used in calculation	7,999,998	7,999,998	7,999,998	7,999,998
Segmental Information				
Gross revenue : General insurance	611,282	527,496	611,341	527,669
Long-term insurance	108,840	222,225	108,840	222,225
Leasing	340,772	378,010	-	-
Total	1,060,894	1,127,731	720,181	749,894
Profit from operations : General insurance	84,520	40,712	84,520	42,512
Long-term insurance	48,043	165,394	65,957	174,220
Leasing	163,172	158,144	-	-
Total	295,735	364,250	150,477	216,732

ABRIDGED BALANCE SHEETS	THE GROUP		THE COMPANY	
	As at 31 December 2008		As at 31 December 2007	
	Audited Rs 000	Audited Rs 000	Audited Rs 000	Audited Rs 000
ASSETS				
Non current assets				
Intangible assets	15,434	10,434	13,570	8,929
Property, plant and equipment	238,336	188,768	59,425	60,155
Investments	318,910	364,987	353,574	381,196
Finance lease receivables	1,011,331	1,075,653	-	-
	1,584,011	1,639,842	426,569	450,280
	1,067,271	931,363	683,225	572,888
Current assets	2,651,282	2,571,205	1,109,794	1,023,168
TOTAL ASSETS	2,651,282	2,571,205	1,109,794	1,023,168
EQUITY AND LIABILITIES				
Share capital	80,000	80,000	80,000	80,000
Reserves	260,364	278,522	217,783	242,233
Equity attributable to equity holders of the parent	340,364	358,522	297,783	322,233
Minority interest	105,156	102,986	-	-
Total equity	445,520	461,508	297,783	322,233
Statutory reserve fund	2,061	1,779	-	-
General insurance fund	94,463	65,750	94,463	65,750
Life insurance fund	479,060	414,103	479,060	414,103
Non current liabilities	763,086	846,888	1,177	365
Current liabilities	867,092	781,177	237,311	220,717
TOTAL EQUITY AND LIABILITIES	2,651,282	2,571,205	1,109,794	1,023,168
Net Assets per share (Rs)	42.55	44.82	37.22	40.28

ABRIDGED CASH FLOW STATEMENTS	THE GROUP		THE COMPANY	
	Year ended 31 December 2008		Year ended 31 December 2007	
	Audited Rs 000	Audited Rs 000	Audited Rs 000	Audited Rs 000
Net cash generated from operating activities	105,683	180,289	82,994	177,000
Net cash generated from investing activities	110,639	76,419	41,920	21,143
Net cash used in financing activities	(122,854)	(154,553)	(14,640)	(12,667)
Net increase in cash & cash equivalents	93,468	102,155	110,274	185,476
Cash & Cash equivalents at beginning of the year	311,619	209,464	311,217	125,741
Cash & Cash equivalents at 31 December	405,087	311,619	421,491	311,217

ABRIDGED STATEMENTS OF CHANGES IN EQUITY	Equity attributable to equity holders of the Company							
	Share Capital Rs 000	Share Premium Rs 000	Revaluation Reserve Rs 000	Investment Revaluation Reserve Rs000	Retained Profits Rs 000	Total Rs 000	Minority Interest Rs 000	Total Rs 000
THE GROUP								
At 1 January 2007	26,667	21,404	20,216	27,160	193,474	288,921	70,030	358,951
Change in fair value of investments	-	-	-	15,290	-	15,290	-	15,290
Revaluation surplus realised	-	-	-	(12,691)	-	(12,691)	-	(12,691)
Issue of bonus shares	53,333	(21,404)	(20,216)	-	(11,713)	-	-	-
Issue of ordinary shares	-	-	-	-	-	-	29,400	29,400
Transfer from statutory reserve	-	-	-	-	37,652	37,652	-	37,652
Profit attributable to shareholders	-	-	-	-	42,017	42,017	3,556	45,573
Dividend	-	-	-	-	(12,667)	(12,667)	-	(12,667)
At 31 December 2007	80,000	-	-	29,759	248,763	358,522	102,986	461,508
Consolidation adjustments	-	-	-	-	217	217	208	425
Change in fair value of investments	-	-	-	(45,956)	-	(45,956)	-	(45,956)
Revaluation surplus realised	-	-	-	(13,687)	-	(13,687)	-	(13,687)
Profit attributable to shareholders	-	-	-	-	55,908	55,908	1,962	57,870
Dividend	-	-	-	-	(14,640)	(14,640)	-	(14,640)
At 31 December 2008	80,000	-	-	(29,884)	290,248	340,364	105,156	445,520
THE COMPANY								
At 1 January 2007	26,667	21,404	20,216	27,160	-	161,608	-	257,055
Change in fair value of investments	-	-	-	15,290	-	15,290	-	15,290
Revaluation surplus realised	-	-	-	(12,691)	-	(12,691)	-	(12,691)
Issue of bonus shares	53,333	(21,404)	(20,216)	-	-	-	(11,713)	-
Transfer from statutory reserve	-	-	-	-	-	-	37,652	37,652
Profit attributable to shareholders	-	-	-	-	-	-	37,594	37,594
Dividend	-	-	-	-	-	-	(12,667)	(12,667)
At 31 December 2007	80,000	-	-	29,759	-	212,474	-	322,233
Change in fair value of investments	-	-	-	(45,956)	-	(45,956)	-	(45,956)
Revaluation surplus realised	-	-	-	(13,687)	-	(13,687)	-	(13,687)
Profit attributable to shareholders	-	-	-	-	-	-	49,833	49,833
Dividend	-	-	-	-	-	-	(14,640)	(14,640)
At 31 December 2008	80,000	-	-	(29,884)	-	247,667	-	297,783

Note

The abridged consolidated financial statements for the year ended 31 December 2008 have been prepared using the same accounting policies and methods of computation as those adopted in the annual consolidated financial statements for the year ended 31 December 2008.

Group Results

Gross Insurance premiums decreased compared to last year as in 2007 turnover for long term insurance was boosted up by some Rs120M following the launch of a new product. For the General Insurance activities, gross premiums increased by 16% and good underwriting results were achieved throughout the business cycle.

The last quarter of year 2008 was characterized by the world economic crisis and all stock markets crashed. Our investment returns were way below our expectations but were compensated by the gains crystallized as a result of the disposal of our investment in Highway Properties Ltd. Following additional provision for asset impairment, our leasing subsidiary posted lower results than last year.

Group profit before tax increased to Rs68M whilst attributable earnings increased by 33% to reach Rs56M posting an earnings per share of Rs 6.99 against Rs 5.25 for the same period last year. However, net assets per share decreased due to the drop in the value of our investments.

Prospects

The first quarter has started positively but as a result of the financial crisis, good rated reinsurers are becoming scarce and we foresee an increase in rates. The downturn in the equity market in 2008 has so far shown no sign of recovery and investment income generated will probably be lower than previous years.

Dividends

The directors have declared a dividend of Re 0.83 bringing the total dividend to Rs 1.83 per share (2007: Rs1.58).

Proposed sale of 51% stake in Mauritian Eagle Leasing Company Ltd

Further to the Cautionary Announcement published on 30 December 2008, we wish to draw your attention to the separate Cautionary Announcement which will be published in the afternoon of Monday 23 March 2009.

Declaration of dividend

Notice is hereby given that a final dividend of Re 0.83 per share in respect of the year ended 31 December 2008 has been declared payable to members registered in the books of the company at the close of business on 10 April 2009.

The Dividend cheques will be posted on or about 30 April 2009.

The shares of the company will be traded cum-dividend up to the market day of 07 April 2009 and ex-dividend on 08 April 2009.

By order of the Board

Simon Pierre Rey
Company Secretary

20 March 2009

Copies of this financial report are available to the public, free of charge, at the Company's registered office, IBL House, Caudan, Port Louis. This financial report is issued pursuant to Listing Rule 12.20. The Board of Directors of Mauritian Eagle Insurance Company Ltd accepts full responsibility for the accuracy of the information contained in this report.

Copies of the audited financial statements are available to every shareholder, upon request, free of charge, from the Company Secretary, at 5th floor, IBL House, Caudan, Port Louis.

The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, from the Secretary, at 5th floor, IBL House,