

THE MAURITIUS LEASING COMPANY LIMITED

GROUP RESULTS FOR THE YEAR ENDED DECEMBER 31, 2010

FINANCIAL HIGHLIGHTS

• Profit before tax	MUR 16.3 million
• Total assets	MUR 3,350.6 million
• Total deposits	MUR 2,515.6 million

COMMENTS

The Mauritius Leasing Company Limited and its subsidiary ("the Group") announce herewith the audited results for the year ended December 31, 2010. The Group ended the year with a profit before tax of MUR 16.3m. The Mauritius Leasing Company Limited ("The Company") has improved its business volumes with total assets shifting to MUR 3,349.9m from MUR 3,188.8m representing a growth of 5.1% over 2009. The deposit portfolio increased by 3.0% from MUR 2,442.9m in 2009 to MUR 2,515.6m in 2010.

Britam Ltd, the company's fully owned subsidiary, continues to deliver positively with turnover and profits before tax of MUR 17.4m and MUR 7.8m respectively.

The Mauritius Leasing Company Limited remains committed to supporting the development and growth of the Mauritian economy in support of its various stakeholders. The share price of the company closed at MUR 7.90 as at December 31, 2010 as compared to MUR 4.10 in 2009.

By Order of the Board
Z.I. Salajee
Company Secretary

Registered Office:
25 Pope Hennessy Street
Port Louis
March 28, 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MAURITIUS LEASING COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of The Mauritius Leasing Company Limited (the "Company") and its subsidiary together (the Group") which comprise the consolidated statement of financial position at 31 December 2010 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements which include a summary of significant accounting policies and other explanatory notes.

This report is made solely to the Group's and the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Group's and the Company's members those matters that are required to state to them in an auditors' 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 Group and the Company and the Group's and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Consolidated Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act and Banking Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 auditors' judgement, 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 auditors consider internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 consolidated financial statements give a true and fair view of the consolidated financial position of the Company at 31 December 2010 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacity as auditors. We have obtained all the information and explanations we have required. In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Banking Act

In our opinion, the consolidated financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act and the regulations and guidelines of the Bank of Mauritius. The explanations or information called for or given to us by the officers or agents of the Company were satisfactory.

The Financial Reporting Act

The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures. In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code except for the non-disclosure of remuneration per director.

KPMG
Licensed Auditors

Port Louis
Date: March 28, 2011

Ashish Ramyeed
Signing Partner

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - AS AT DECEMBER 31, 2010

	THE GROUP			THE COMPANY		
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
	MUR 000's	MUR 000's	MUR 000's	MUR 000's	MUR 000's	MUR 000's
ASSETS						
Cash resources						
Balances with Category 1 banks	475,957	426,274	421,683	471,316	419,435	416,326
	475,957	426,274	421,683	471,316	419,435	416,326
Securities and Other Investments						
Investment in subsidiary company	-	-	-	17,935	17,935	17,935
Investments at fair value through profit or loss	106,166	102,221	107,079	103,166	102,221	107,079
Held to maturity securities	130,000	130,000	130,000	130,000	130,000	130,000
	236,166	232,221	237,079	251,101	250,156	255,014
Net investment in finance leases	1,612,927	1,579,753	1,879,965	1,613,031	1,579,848	1,880,260
Allowance for credit impairment	(18,241)	(18,175)	(38,303)	(18,241)	(18,175)	(38,303)
	1,594,686	1,561,578	1,841,662	1,594,790	1,561,673	1,841,957
Others						
Intangible assets	1,609	384	1,916	729	239	1,691
Property, plant and equipment	287,204	276,274	268,089	285,071	275,382	266,954
Investment property	182,405	44,300	149,300	182,405	44,300	149,300
Floor plan assets	243,651	101,466	-	243,651	101,466	-
Deferred tax asset	162	162	3,176	148	148	3,176
Receivables from group companies	153,931	108,413	52,146	156,931	119,850	55,646
Other assets	174,783	315,547	124,918	163,800	290,177	87,298
	1,043,745	846,546	599,545	1,032,735	831,562	564,065
Assets classified as held for sale	-	126,000	-	-	126,000	-
	3,350,554	3,192,619	3,099,969	3,349,942	3,188,826	3,077,362
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits						
Personal	1,614,122	1,600,034	1,475,267	1,614,122	1,600,034	1,475,267
Business	901,459	842,829	926,555	901,459	842,829	926,555
	2,515,581	2,442,863	2,401,822	2,515,581	2,442,863	2,401,822
Borrowings						
Category 1 Banks	45,555	79,064	49,800	45,555	79,064	49,800
Loans	150,350	14,740	-	150,350	14,740	-
	195,905	93,804	49,800	195,905	93,804	49,800
Others						
Current tax liabilities	98	1,901	582	-	-	-
Other liabilities	197,176	188,650	219,560	193,751	180,230	185,937
Payable to group companies	1,457	34,409	1,081	1,417	34,409	1,081
Deferred tax liabilities	-	-	81	-	-	-
Retirement benefit obligations	1,117	2,831	2,139	786	2,480	1,857
	199,848	227,791	223,443	195,954	217,119	188,875
Shareholders' equity						
Share capital	421,582	421,582	421,582	421,582	421,582	421,582
Retained earnings/(Revenue deficit)	8,644	(694)	(2,425)	11,926	6,185	9,536
Statutory reserves	8,994	7,273	5,747	8,994	7,273	5,747
	439,220	428,161	424,904	442,502	435,040	436,865
	3,350,554	3,192,619	3,099,969	3,349,942	3,188,826	3,077,362

These financial statements have been approved for issue by the board of directors on March 28, 2011

Mr. Yatemani Gujadhur FCIB, CSK
Chairman

Mr. Shivananda P. Mootien
Director

Mr. Ashraf Esmael
Chief Executive Officer

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2010

	THE GROUP			THE COMPANY		
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
	MUR 000's	MUR 000's	MUR 000's	MUR 000's	MUR 000's	MUR 000's
Net income for the year	15,079	15,257	15,963	11,482	10,175	16,089
Total comprehensive income for the year	15,079	15,257	15,963	11,482	10,175	16,089
Total comprehensive income attributable to: Owners of the parent	15,079	15,257	15,963	11,482	10,175	16,089

CONSOLIDATED INCOME STATEMENTS - YEAR ENDED DECEMBER 31, 2010

	THE GROUP			THE COMPANY		
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
	MUR 000's	MUR 000's	MUR 000's	MUR 000's	MUR 000's	MUR 000's
Turnover	1,059,117	1,107,483	1,015,674	1,042,729	1,096,304	1,004,838
Interest income						
Gross earnings on finance leases	185,595	203,378	219,167	185,598	203,397	219,215
Floor plan	21,164	4,839	-	21,164	4,839	-
Others	46,955	57,319	55,574	46,359	57,366	55,188
	253,714	265,536	274,741	253,121	265,602	274,403
Interest Expense						
Deposits	(229,055)	(245,651)	(264,370)	(229,055)	(245,651)	(264,370)
Borrowings	(4,200)	(61)	-	(4,200)	(61)	-
Bank overdrafts	-	(46)	(145)	-	(46)	(145)
Others	(148)	(237)	-	(148)	(237)	-
	(233,403)	(245,995)	(264,515)	(233,403)	(245,995)	(264,515)
Net interest income	20,311	19,541	10,226	19,718	19,607	9,888
Provision and adjustments to income for credit impairment	(66)	16,856	(23,791)	(66)	16,856	(23,791)
Net interest income/(expense) after provision for credit impairment	20,245	36,397	(13,565)	19,652	36,463	(13,903)
Other income						
Fee income	7,886	7,561	5,829	7,886	7,561	5,829
Net operating leases income	27,078	30,457	32,760	27,078	30,457	32,760
Others	20,475	29,350	4,885	8,506	15,165	(2,554)
	55,439	67,368	43,474	43,470	53,183	36,035
Net interest and other income	75,684	103,765	29,909	63,122	89,646	22,132
Non-interest expense						
Salaries and human resource development	(29,479)	(38,245)	(31,141)	(24,507)	(34,091)	(27,465)
Pension contribution and other staff benefits	(3,297)	(2,825)	(1,631)	(2,321)	(2,825)	(1,631)
Depreciation and amortisation	(5,379)	(7,352)	(6,991)	(4,971)	(6,951)	(6,485)
Others	(34,276)	(38,887)	(33,425)	(32,844)	(36,532)	(30,258)
	(72,431)	(87,309)	(73,188)	(64,643)	(80,399)	(65,839)
Movement in fair value:						
- investment in financial assets and subsidiary company	945	(4,858)	17,712	945	(4,858)	17,712
- investment property	12,058	11,000	35,768	12,058	11,000	35,768
	13,003	6,142	53,480	13,003	6,142	53,480
Net income before income taxes	16,256	22,598	10,201	11,482	15,389	9,773
Income tax (charge)/credit	(1,177)	(7,341)	5,762	-	(5,214)	6,316
Net income for the year	15,079	15,257	15,963	11,482	10,175	16,089
Transfer to statutory reserves	1,721	1,526	2,413	1,721	1,526	2,413
Net income attributable to owners of the parent	13,358	13,731	13,550	9,761	8,649	13,676
	15,079	15,257	15,963	11,482	10,175	16,089
Earnings per share (MUR)	0.05	0.05	0.05	0.04	0.03	0.05

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2010

	THE COMPANY			
	Share capital	Statutory reserves	(Revenue deficit)/Retained earnings	Total
	MUR 000's	MUR 000's	MUR 000's	MUR 000's
THE COMPANY				
Balance at January 1, 2010	421,582	7,273	6,185	435,040
Transfer	-	1,721	(1,721)	-
Net income/(expense) recognised directly in equity	-	1,721	(1,721)	-
Total comprehensive income for the year	-	-	11,482	11,482
Total recognised income for 2010	-	1,721	9,761	11,482
Dividends relating to 2009	-	-	(4,020)	(4,020)
Paid and proposed before reporting date	-	-	(4,020)	(4,020)
Balance at December 31, 2010	421,582	8,994	11,926	442,502
Balance at January 1, 2009	421,582	5,747	9,536	436,865
Transfer	-	1,526	(1,526)	-
Net income/(expense) recognised directly in equity	-	1,526	(1,526)	-
Total comprehensive income for the year	-	-	10,175	10,175
Total recognised income for 2009	-	1,526	8,649	10,175
Dividends relating to 2008	-	-	(6,000)	(6,000)
Dividends relating to 2009	-	-	(6,000)	(6,000)
Paid and proposed before reporting date	-	-	(6,000)	(6,000)
Balance at December 31, 2009	421,582	7,273	6,185	435,040
Balance at January 1, 2008	421,582	3,334	10,860	435,776
Transfer	-	2,413	(2,413)	-
Net income/(expense) recognised directly in equity	-	2,413	(2,413)	-
Total comprehensive income for the year	-	-	16,089	16,089
Total recognised income for 2008	-	2,413	13,676	16,089
Dividends relating to 2007	-	-	(6,000)	(6,000)
Dividends relating to 2008	-	-	(9,000)	(9,000)
Paid and proposed before reporting date	-	-	(9,000)	(9,000)
Balance at December 31, 2008	421,582	5,747	9,536	436,865

CONSOLIDATED STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2010

	THE GROUP			THE COMPANY		
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
	MUR 000's	MUR 000's	MUR 000's	MUR 000's	MUR 000's	MUR 000's
Operating activities						
Net income for the year	15,079	15,257	15,963	11,482	10,175	16,089
Interest paid on bank overdraft	-	(46)	(145)	-	(46)	(145)
Income tax paid	(3,038)	(903)	(386)	-	-	-
Adjustments to determine net cash flows						
Net provision and adjustments to income for credit impairment	66	(16,856)	23,791	66	(16,856)	23,791
Depreciation and amortisation	62,787	68,390	62,152	62,379	67,989	61,645
Provision for retirement benefit obligations (Profit)/Loss on disposal of plant and equipment	(1,714)	692	(376)	(1,694)	623	(476)
Loss on disposal of leased assets	(58)	4,308	11,095	58	4,308	11,095
Change in fair value of financial assets at fair value through profit or loss and investment in subsidiary company	(945)	4,858	(17,712)	(945)	4,858	(17,712)
Change in fair value of investment property	(12,058)	(11,000)	(35,768)	(12,058)	(11,000)	(35,768)
Investment income	(20)	(22)	(1,723)	(3,020)	(7,522)	(5,223)
Interest income	(41,961)	(57,319)	(55,956)	(41,362)	(57,366)	(55,188)
Interest expense	233,408	245,949	264,563	233,402	245,949	264,515
Income tax charge	-	4,408	582	-	2,186	-
Changes in operating assets and liabilities						
Net investment in finance leases	(33,287)	295,904	(398)	(33,183)	296,104	(161)
Others	30,078	(236,933)	(12,845)	30,902	(223,980)	(14,103)
Changes in floor plan	(142,185)	(95,914)	-	(142,185)	(95,914)	-
Deferred tax charge/(credit)	-	2,933	(6,344)	-	3,028	(6,316)
Interest paid on deposits	(194,992)	(228,849)	(191,841)	(195,426)	(228,849)	(191,841)
Interest received on bank deposits	55,117	35,018	62,552	54,959	34,627	61,832
Net cash (used in)/generated from operating activities	(33,748)	21,270	117,485	(36,540)	19,709	112,315
Financing activities						
Proceeds from borrowings	152,504	15,019	-	152,400	15,019	-
Payments on long term borrowings	(16,893)	(279)	-	(16,789)	(279)	-
Deposits received	1,046,761	993,114	800,185	1,046,761	993,114	800,185
Deposits repaid	(994,905)	(973,402)	(802,481)	(994,905)	(973,402)	(802,481)
Dividend paid	(4,020)	(12,000)	(15,000)	(4,020)	(12,000)	(15,000)
Net cash from/(used in) financing activities	183,447	22,452	(17,296)	183,447	22,452	(17,296)
Investing activities						
Dividends received	11,020	22	93	11,020	22	3,593
Proceeds from sale of plant and equipment	25,946	40,383	9,248	25,327	40,383	9,248
Purchase of property, plant and equipment	(100,426)	(98,800)	(102,330)	(97,817)	(98,721)	(102,182)
Additions to investment property	(47)	(10,000)	(16,520)	(47)	(10,000)	(16,520)
Purchase of investments	(3,000)	-	(130,000)	-	-	(130,000)
Net cash used in investing activities	(66,507)	(68,395)	(239,509)	(61,517)	(68,316)	(235,861)
Net change in cash and cash equivalents	83,192	(24,673)	(139,320)	85,390	(26,155)	(140,842)
Cash and cash equivalents at beginning of year	347,210	371,883	511,203	340,371	366,526	507,368
Cash and cash equivalents at end of year	430,402	347,210	371,883	425,761	340,371	366,526

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2010

THE GROUP	THE GROUP			
	Share capital	Statutory reserves	(Revenue deficit)/Retained earnings	Total
	MUR 000's	MUR 000's	MUR 000's	MUR 000's
Balance at January 1, 2010	421,582	7,273	(694)	428,161
Transfer	-	1,721	(1,721)	-
Net income/(expense) recognised directly in equity	-	1,721	(1,721)	-
Total comprehensive income for the year	-	-	15,079	15,079
Total recognised income for 2010	-	1,721	13,358	15,079
Dividends relating to 2009	-	-	(4,020)	(4,020)
Paid and proposed before reporting date	-	-	(4,020)	(4,020)
Balance at December 31, 2010	421,582	8,994	8,644	439,220
Balance at January 1, 2009	421,582	5,747	(2,425)	424,904
Transfer	-	1,526	(1,526)	-
Net income/(expense) recognised directly in equity	-	1,526	(1,526)	-
Total comprehensive income for the year	-	-	15,257	15,257
Total recognised income for 2009	-	1,526	13,731	15,257
Dividends relating to 2008	-	-	(6,000)	(6,000)
Dividends relating to 2009	-	-	(6,000)	(6,000)
Paid and proposed before reporting date	-	-	(6,000)	(6,000)
Balance at December 31, 2009	421,582	7,273	(694)	428,161
Balance at January 1, 2008	421,582	3,334	(975)	423,941
Transfer	-	2,413	(2,413)	-
Net income/(expense) recognised directly in equity	-	2,413	(2,413)	-
Total comprehensive income for the year	-	-	15,963	15,963
Total recognised income for 2008	-	2,413	13,550	15,963
Dividends relating to 2007	-	-	(6,000)	(6,000)
Dividends relating to 2008	-	-	(9,000)	(9,000)
Paid and proposed before reporting date	-	-	(9,000)	(9,000)
Balance at December 31, 2008	421,582	5,747	(2,425)	424,904

Copies of the audited financial statements are available to the public, free of charge, at the Registered Office of the company. The financial statements are issued pursuant to Listing Rule 12.14 and Section 88 of the Securities Act.

The Board of Directors of The Mauritius Leasing Company Limited accepts full responsibility for the accuracy of the information contained in the audited financial statements.