



## **FINANCIAL HIGHLIGHTS – YEAR ENDED 31<sup>ST</sup> MARCH 2008**

### Group Performance

Air Mauritius has achieved strong results for the financial year despite numerous operational challenges. The Group achieved a profit of Eur 17 million (Rs 723 million) as compared to a loss of Eur 6.7 million (Rs 275 million) in the previous year. Group operating revenue increased by 8.2 per cent to Eur 448.1 million (Rs 19 billion) compared to Eur 414.2 million (Rs 17 billion) for last year. The Operating Margin for the Group was 5.5 per cent compared to only 0.4 per cent for the previous year. As a result, we have been able to return a dividend of Rs 1.50 to our investors.

### Company Performance

The Company for its part posted a profit of Eur 15.6 million (Rs 665million) which is a significant turnaround from the loss of Eur 7.9 million (Rs 326 million) reported last year. The operating revenue was up 8.2 per cent to Eur 445.9 million (Rs 19 billion) and the Company achieved a 5.3 per cent operating margin. This performance is well above the industry average worldwide and shows that the strategy and measures taken by the Company through its Transformation Programme are bearing fruit.

The Company continued to grow its passenger base and carried 1,310,517 (+ 11.4%) passengers as compared to 1,176,633 passengers for last year. Seat capacity was increased 8.8 per cent from the previous year. The passenger load factor of 76.8 per cent was 2.2 points higher than the 74.6 per cent achieved in the previous year. The Cargo business continued to grow with a total of 36,809 tonnes being carried compared to 33,649 tonnes last year.

### Fuel Price Challenge

This year was also marked by record high prices of Crude oil and jet fuel. At the beginning of the financial year, crude oil prices were below USD 70 per barrel, but they increased steadily during the period to reach record high levels during the last quarter of the financial year. An all-time high of USD 111 per barrel was reached in March 2008 on a WTI crude basis. Brent averaged USD 82 per barrel as compared to USD 65 per barrel for last year. As a result, the price of jet fuel which is closely correlated to that of crude oil on average increased by 24.3% when compared to last year.

During 2008, we have already seen sharp increases in this commodity which at levels of USD 139 per barrel for crude, has precipitated an industry crisis for aviation. Mitigating measures like fuel hedging and the implementation of fuel surcharges, together with the impact of a strong euro are not enough to offset the sharp increases in the fuel cost. The Company has had to review its route schedules and other plans for the current financial year to cope with the changed operating cost profiles.



### Dividend and Shareholders' Funds

A dividend of Rs 1.50 per share for the year ended 31 March 2008 was declared in March and paid to shareholders in April 2008. No dividend was declared last year, when a loss was made.

Total Shareholders' Funds for the Group amounted to Eur 199 million (Rs 8.2 billion) and the resulting net worth per share at 31 March 2008 was Eur 1.95 (Rs 80.43). The net worth per share last year was Eur 1.78 (Rs 77.76).

### Cash Resources

The financial position of the Group remains strong. Group cash and cash equivalents was at Eur 82.6 million (Rs 3.4 billion) as compared to Eur 52 million (Rs 2.2 billion) for last year. This is a growth of Eur 30.6 million or 59% in cash and cash equivalents.

As at 31 March 2008, Air Mauritius Limited had cash amounting to SCR 11.4 million (Eur 0.9 million), blocked in the Seychelles since 1998 due to an ongoing shortage of foreign currency in that country. A provision of 50% against the remaining blocked funds has been made in the financial statements to account for the foreign exchange risk of a depreciation in the Seychelles rupee vis-à-vis the Eur.

### The Fleet

In December 2007, a new Airbus A330-200 aircraft joined our fleet. A second A330-200 aircraft is scheduled to be delivered in October 2009. These aircraft will be used to grow our medium haul routes. The new A330-200 aircraft is featured with the new two-class cabin layout with lie flat seats in Business Class and a new ergonomic seat in Economy Class in line with our vision as "Your Preferred Leisure Airline." By early July 2008, all our wide body aircraft will be reconfigured into the new two class layout, with the upgraded lie flat seats in Business Class.

### Outlook

The financial year 2008/09 will be a challenging one, in light of the record high fuel prices as well as the uncertain market conditions and world economic outlook. These challenges are putting heavy pressure on both our operating margins and our load factors. We have reviewed our plans for the coming year by placing emphasis on further restructuring, cost reduction and adjustment of capacity, routes and timetables in the short term.

**AIR MAURITIUS LIMITED AND ITS SUBSIDIARIES**  
**AUDITED ABRIDGED BALANCE SHEETS AS AT MARCH 31, 2008**

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€000	€000	€000	€000
<b>ASSETS</b>		<b>Restated</b>		<b>Restated</b>
<b>Non-current assets</b>				
Property, plant and equipment	277,938	294,822	272,883	291,230
Investment property	8,975	10,060	-	-
Intangible assets	1,038	244	1,004	188
Investment in subsidiary companies	-	-	27,155	27,155
Investment in associated company	302	257	102	102
Available-for-sale investments	2,085	1,956	2,085	1,956
Other financial assets	880	-	880	-
Deferred tax asset	216	485	-	-
Long term deposits	15,280	12,997	15,280	12,997
Long term receivable	827	1,397	827	1,397
	<b>307,541</b>	<b>322,218</b>	<b>320,216</b>	<b>335,025</b>
<b>Current assets</b>				
Inventories	12,865	14,005	12,831	13,968
Trade and other receivables	63,959	158,736	63,280	158,278
Other financial assets	6,304	6,774	3,015	1,694
Cash and cash equivalents	82,592	52,503	78,546	52,078
	<b>165,720</b>	<b>232,018</b>	<b>157,672</b>	<b>226,018</b>
<b>Total assets</b>	<b>473,261</b>	<b>554,236</b>	<b>477,888</b>	<b>561,043</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	41,724	41,724	41,724	41,724
Share premium	18,869	18,869	18,869	18,869
Other reserves	(6,786)	(10,255)	4,178	1,459
Retained earnings	145,231	132,116	141,142	129,210
	<b>199,038</b>	<b>182,454</b>	<b>205,912</b>	<b>191,262</b>
Minority interests	1,970	1,715	-	-
<b>Total equity</b>	<b>201,008</b>	<b>184,169</b>	<b>205,912</b>	<b>191,262</b>
<b>Non-current liabilities</b>				
Borrowings and financial derivatives	84,081	111,343	83,603	110,714
Provisions	32,955	23,827	32,850	23,739
	<b>117,036</b>	<b>135,170</b>	<b>116,453</b>	<b>134,453</b>
<b>Current liabilities</b>				
Trade and other payables	128,031	116,747	128,418	117,295
Borrowings and financial derivatives	23,474	118,150	23,393	118,033
Dividends	3,712	-	3,712	-
	<b>155,217</b>	<b>234,897</b>	<b>155,523</b>	<b>235,328</b>
<b>Total equity and liabilities</b>	<b>473,261</b>	<b>554,236</b>	<b>477,888</b>	<b>561,043</b>

**AIR MAURITIUS LIMITED AND ITS SUBSIDIARIES**

**AUDITED ABRIDGED INCOME STATEMENTS FOR THE YEAR ENDED MARCH 31, 2008**

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€000	€000	€000	€000
<b>Operating revenue</b>				
Traffic revenue	378,553	356,819	378,553	356,819
Fuel surcharge	67,335	55,169	67,335	55,169
Others	2,189	2,243	-	-
	<b>448,077</b>	414,231	<b>445,888</b>	411,988
<b>Operating expenses</b>	<b>(399,718)</b>	(388,151)	<b>(399,214)</b>	(387,345)
<b>Gross profit</b>	<b>48,359</b>	26,080	<b>46,674</b>	24,643
Administrative expenses	(25,982)	(26,560)	(25,231)	(25,791)
Other operating income	2,248	1,724	2,183	1,663
Fair value gain on investment property	81	391	-	-
<b>Operating profit</b>	<b>24,706</b>	1,635	<b>23,626</b>	515
Share of profit of associate	2	5	-	-
Finance revenue	9,803	8,468	9,245	8,096
Finance costs	(17,291)	(16,581)	(17,228)	(16,521)
<b>Profit/(loss) before taxation</b>	<b>17,220</b>	(6,473)	<b>15,643</b>	(7,910)
Taxation	(210)	(196)	-	-
<b>Profit/(loss) for the year</b>	<b>17,010</b>	(6,669)	<b>15,643</b>	(7,910)
Profit/ (loss) for the year attributable to:				
- Equity holders of the parent	16,827	(6,799)		
- Minority interests	183	130		
	<b>17,010</b>	(6,669)		
<b>Earnings/(loss) per share (Euro)</b>	<b>0.17</b>	(0.07)		

AIR MAURITIUS LIMITED AND ITS SUBSIDIARIES

AUDITED ABRIDGED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2008

	Share Capital	Share Premium	Fair Value Reserve	Translation Reserve on Consolidation	Hedge Equity Reserve	Retained Earnings	Total Shareholders' Interest	Minority Interest	Total Equity
The Group	€000	€000	€000	€000	€000	€000	€000	€000	€000
<b>Balance at April 01, 2006</b>	41,724	18,869	2,204	(8,827)	5,451	138,915	198,336	1,851	200,187
Exchange differences	-	-	180	(2,897)	-	-	(2,717)	(266)	(2,983)
Fair value loss on available-for-sale investments	-	-	170	-	-	-	170	-	170
Cash flow hedge adjustment on swap instrument on loans	-	-	-	-	421	-	421	-	421
Cash flow hedge adjustment on financial derivative asset and liability	-	-	-	-	(850)	-	(850)	-	(850)
Release to income statement on cash flow hedges	-	-	-	-	(6,107)	-	(6,107)	-	(6,107)
Net income and expense recognised directly in equity	41,724	18,869	2,554	(11,724)	(1,085)	138,915	189,253	1,585	190,838
Loss for the year	-	-	-	-	-	(6,799)	(6,799)	130	(6,669)
Total income and expense for the year	41,724	18,869	2,554	(11,724)	(1,085)	132,116	182,454	1,715	184,169
Dividends declared	-	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2007</b>	<b>41,724</b>	<b>18,869</b>	<b>2,554</b>	<b>(11,724)</b>	<b>(1,085)</b>	<b>132,116</b>	<b>182,454</b>	<b>1,715</b>	<b>184,169</b>
<b>Balance at April 01, 2007</b>	41,724	18,869	2,554	(11,724)	(1,085)	132,116	182,454	1,715	184,169
Exchange differences	-	-	(179)	751	-	-	572	72	644
Fair value gain on available-for-sale investments	-	-	129	-	-	-	129	-	129
Cash flow hedge adjustment on swap instrument on loans	-	-	-	-	226	-	226	-	226
Cash flow hedge adjustment on financial derivative asset and liability	-	-	-	-	1,692	-	1,692	-	1,692
Release to income statement on cash flow hedges	-	-	-	-	850	-	850	-	850
Net income and expense recognised directly in equity	41,724	18,869	2,504	(10,973)	1,683	132,116	185,923	1,787	187,710
Profit for the year	-	-	-	-	-	16,827	16,827	183	17,010
Total income and expense for the year	41,724	18,869	2,504	(10,973)	1,683	148,943	202,750	1,970	204,720
Dividends declared	-	-	-	-	-	(3,712)	(3,712)	-	(3,712)
<b>Balance at March 31, 2008</b>	<b>41,724</b>	<b>18,869</b>	<b>2,504</b>	<b>(10,973)</b>	<b>1,683</b>	<b>145,231</b>	<b>199,038</b>	<b>1,970</b>	<b>201,008</b>

**AIR MAURITIUS LIMITED AND ITS SUBSIDIARIES**

**AUDITED ABRIDGED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2008**

	Share Capital	Share Premium	Fair Value Reserve	Hedge Equity Reserve	Retained Earnings	Total
	€000	€000	€000	€000	€000	€000
<b>The Company</b>						
<b>Balance at April 01, 2006</b>	41,724	18,869	2,204	5,451	137,120	205,368
Fair value loss on available-for-sale investments	-	-	160	-	-	160
Adjustment difference in exchange	-	-	180	-	-	180
Cash flow hedge adjustment on swap instrument on loans	-	-	-	421	-	421
Cash flow hedge on financial derivative asset and liability	-	-	-	(850)	-	(850)
Release to income statement on cash flow hedges	-	-	-	(6,107)	-	(6,107)
Net income and expense recognised directly in equity	41,724	18,869	2,544	(1,085)	137,120	199,172
Loss for the year	-	-	-	-	(7,910)	(7,910)
Total income and expense for the year	41,724	18,869	2,544	(1,085)	129,210	191,262
Dividends declared	-	-	-	-	-	-
<b>Balance at March 31, 2007</b>	<b>41,724</b>	<b>18,869</b>	<b>2,544</b>	<b>(1,085)</b>	<b>129,210</b>	<b>191,262</b>
<b>Balance at April 01, 2007</b>	41,724	18,869	2,544	(1,085)	129,210	191,262
Fair value gain on available-for-sale investments	-	-	129	-	-	129
Adjustment difference in exchange	-	-	(178)	-	-	(178)
Cash flow hedge adjustment on swap instrument on loans	-	-	-	226	-	226
Cash flow hedge on financial derivative asset and liability	-	-	-	1,692	-	1,692
Release to income statement on cash flow hedges	-	-	-	850	-	850
Net income and expense recognised directly in equity	41,724	18,869	2,495	1,683	129,210	193,981
Profit for the year	-	-	-	-	15,643	15,643
Total income and expense for the year	41,724	18,869	2,495	1,683	144,853	209,624
Dividends declared	-	-	-	-	(3,712)	(3,712)
<b>Balance at March 31, 2008</b>	<b>41,724</b>	<b>18,869</b>	<b>2,495</b>	<b>1,683</b>	<b>141,141</b>	<b>205,912</b>

AIR MAURITIUS LIMITED AND ITS SUBSIDIARIES

AUDITED ABRIDGED CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2008

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€'000	€'000	€'000	€'000
Net cash flow from operating activities	<b>64,604</b>	29,628	<b>63,317</b>	28,860
Net cash flow from investing activities	<b>(4,211)</b>	18,850	<b>(6,560)</b>	19,473
Net cash flow from financing activities	<b>(29,262)</b>	(42,586)	<b>(29,045)</b>	(42,480)
Net change in cash and cash equivalents	<b>31,131</b>	5,892	<b>27,712</b>	5,853
Movement in cash and cash equivalents				
<b>At April 01,</b>	<b>52,037</b>	44,832	<b>51,612</b>	44,396
Exchange difference on opening balance	<b>(576)</b>	1,313	<b>(778)</b>	1,363
Movement	<b>31,131</b>	5,892	<b>27,712</b>	5,853
<b>At March 31,</b>	<b>82,592</b>	52,037	<b>78,546</b>	51,612

## AIR MAURITIUS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2008

## SEGMENT INFORMATION

## Primary reporting - Business Segments

	THE COMPANY				TOTAL		SUBSIDIARY COMPANIES						Adjustment /		TOTAL	
	Aircraft operations		Ground operations		THE COMPANY		Investment Property		Hotel & Restaurant		Call Centre		Unallocated		THE GROUP	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Traffic revenue	373,624	350,677	4,929	6,142	378,553	356,819	-	-	-	-	-	-	-	-	378,553	356,819
Fuel surcharge and others	67,335	55,169	-	-	67,335	55,169	1,148	1,253	1,349	1,254	668	680	(976)	(944)	69,524	57,412
Operating revenue	440,959	405,846	4,929	6,142	445,888	411,988	1,148	1,253	1,349	1,254	668	680	(976)	(944)	448,077	414,231
Operating costs	(395,083)	(383,582)	(4,131)	(3,763)	(399,214)	(387,345)	(461)	(735)	(429)	(435)	(590)	(580)	976	944	(399,718)	(388,151)
Segment results	45,876	22,264	798	2,379	46,674	24,643	687	518	920	819	78	100	-	-	48,359	26,080
Administrative expenses					(25,231)	(25,791)	-	-	(679)	(675)	(72)	(65)		(29)	(25,982)	(26,560)
Share of result of associates					-	-	-	-	-	-	-	-	2	5	2	5
Other operating income					2,183	1,663	8	1	53	49	4	11	-	-	2,248	1,724
Fair value adjustment					-	-	81	391	-	-	-	-	-	-	81	391
Finance Revenue					9,245	8,096	536	368	18	29	4	1	-	-	9,803	8,494
Finance Cost					(17,228)	(16,521)	-	-	(63)	(86)	-	-	-	-	(17,291)	(16,607)
<b>Profit/ (loss) before taxation</b>					15,643	(7,910)	1,312	1,278	249	136	14	47	2	(24)	17,220	(6,473)
Taxation					-	-	(210)	(196)	-	-	-	-	-	-	(210)	(196)
<b>Profit/ (loss) for the year</b>					15,643	(7,910)	1,102	1,082	249	136	14	47	2	(24)	17,010	(6,669)
<b>Profit/ (loss) attributable to:</b>																
- Equity holders of the parent					15,643	(7,910)	1,033	1,014	135	74	14	47	2	(24)	16,827	(6,799)
- Minority interests					-	-	69	68	114	62	-	-	-	-	183	130
					15,643	(7,910)	1,102	1,082	249	136	14	47	2	(24)	17,010	(6,669)

**AIR MAURITIUS LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE AUDITED ABRIDGED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2008**

**(1) Statement of compliance**

The abridged consolidated financial statements for the year March 31, 2008 have been extracted from the annual consolidated financial statements which have been prepared in accordance and comply with International Financial Reporting Standards, taking into consideration all revised IAS and new IFRS effective for accounting period beginning on April 1, 2007. The auditors' report to the financial statement is unqualified.

**(2) Exchange Rates**

	Eur/Rs	Eur/USD
Average for the year	42.51	1.42
As at March 31, 2007.	41.34	1.58

Copies of the abridged financial statements are available, free of charge, at the registered office of the company at 19th floor, Air Mauritius Building, John Kennedy Street, Port Louis.

*These financial statements are issued pursuant to Listing Rule 12.20.*

*The Board of Directors of Air Mauritius Limited accepts full responsibility for the accuracy of the information contained in these financial statements.*

19-Jun-08