



THE MAURITIUS UNION ASSURANCE COMPANY LIMITED

UNAUDITED BALANCE SHEETS - JUNE 30, 2008

	THE GROUP		THE COMPANY	
	June 30,	December 30,	June 30,	December 30,
	2008	2007	2008	2007
	Unaudited	Audited	Unaudited	Audited
	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS				
Non-Current Assets				
Property and equipment	92,618	92,314	92,249	91,919
Investment property	8,000	8,000	-	-
Intangible assets	11,242	11,786	6,664	7,207
Statutory deposits	-	-	-	-
Investments in subsidiary companies	-	-	11,979	11,979
Investments in associated companies	5,635	32,894	4,817	24,282
Financial assets	1,430,830	1,290,164	1,033,097	914,570
Loans and receivables	18,786	23,631	118,166	123,011
Amount receivable from Life business	36,279	133,203	36,279	133,203
Life business non-current assets	2,982,260	3,018,381	-	-
	4,585,650	4,610,373	1,303,251	1,306,171
Current Assets				
Life business current assets	146,022	149,180	-	-
Financial assets	75,178	137,190	75,178	137,190
Loans and receivables	6,285	5,370	6,285	5,370
Trade and other receivables	179,099	145,450	176,984	131,882
Recoverable from reinsurers	266,831	254,968	266,831	254,968
Bank balances and cash	118,267	51,637	113,360	47,070
	791,682	743,795	638,638	576,480
Non-current assets held-for-sale	8,600	-	8,050	-
Life business non-current assets held-for-sale	-	46,346	-	-
Total Assets	5,385,932	5,400,514	1,949,939	1,882,651
EQUITY AND LIABILITIES				
Capital and Reserves (attributable to equity holders of the parent company)				
Share capital	200,400	200,400	200,400	200,400
Revaluation and other reserves	863,381	898,205	586,350	642,412
Non-distributable share of Life surplus	79,526	92,328	79,526	92,328
Retained earnings	337,453	290,083	311,869	265,113
Equity holders' interest	1,480,760	1,481,016	1,178,145	1,200,253
Minority interest	4,224	3,315	-	-
Total equity	1,484,984	1,484,331	1,178,145	1,200,253
Technical Provisions				
Unearned premium reserve	250,902	231,712	250,902	231,712
Life assurance fund	3,058,102	3,046,106	-	-
Outstanding claims	442,712	384,603	442,712	384,603
	3,751,716	3,662,421	693,614	616,315
Non-Current Liabilities				
Deferred tax liabilities	48	48	-	-
Life business non-current liabilities	23,477	133,203	-	-
	23,525	133,251	-	-
Current Liabilities				
Borrowings	-	83	-	-
Trade and other payables	73,632	81,660	73,406	62,512
Current tax liabilities	5,372	4,170	4,774	3,571
Life business current liabilities	46,703	34,598	-	-
	125,707	120,511	78,180	66,083
Total Equity and Liabilities	5,385,932	5,400,514	1,949,939	1,882,651
	Rs.	Rs.		
Net assets per share	73.89	73.90		
Number of shares	20,040,000	20,040,000		



UNAUDITED BALANCE SHEET - LIFE BUSINESS - JUNE 30, 2008

	June 30, 2008 Unaudited	December 30, 2007 Audited
	Rs'000	Rs'000
Non-Current Assets		
Property and equipment	95,675	95,308
Investment property	50,000	50,000
Intangible assets	1,172	1,159
Investments in associated companies	5,346	36,855
Financial assets	2,483,102	2,454,636
Loans and receivables	346,965	380,423
	2,982,260	3,018,381
Current Assets		
Financial assets	20,523	26,069
Loans and receivables	34,058	34,396
Trade and other receivables	55,079	36,377
Bank balances and cash	36,362	52,338
	146,022	149,180
Non-current assets held-for-sale	-	46,346
Total Assets	3,128,282	3,213,907
Less:		
Non-Current Liabilities		
Amount payable to General business	23,477	133,203
	23,477	133,203
Current Liabilities		
Trade and other payables	46,703	34,598
	3,058,102	3,046,106
Life Assurance Fund	3,058,102	3,046,106

UNAUDITED INCOME STATEMENTS - HALF YEAR ENDED JUNE 30, 2008

	THE GROUP		THE COMPANY	
	Half year ended		Half year ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Unaudited	Unaudited	Unaudited	Unaudited	
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	219,749	188,675	227,187	172,098
Underwriting surplus (page 4)	23,041	16,133	23,041	16,133
Investment and other income	44,509	31,242	39,912	29,713
Profit on disposal of available-for-sale financial assets	46,032	7,275	46,032	2,244
Share of Life (deficit)/surplus transferred to/(from) Life Assurance Fund	(12,802)	13,867	(12,802)	13,867
	100,780	68,517	96,183	61,957
Legal costs	-	14,500	-	14,500
Management expenses	34,279	29,138	32,165	27,347
Depreciation	3,761	4,376	3,702	4,240
Amortisation	1,112	1,269	1,112	1,269
	39,152	49,283	36,979	47,356
Share of results of associated companies	61,628	19,234	59,204	14,601
	(855)	2,474	-	-
Profit before taxation	60,773	21,708	59,204	14,601
Taxation	(1,202)	(19)	(1,202)	-
Net Profit for the period	59,571	21,689	58,002	14,601
Attributable to :				
Equity holders of the company	58,662	21,371	58,002	14,601
Minority Interest	909	318	-	-
	59,571	21,689	58,002	14,601
Earnings per share (Rs/cs)	2.93	1.07		
Number of shares used in calculation of earnings per share	20,040,000	20,040,000		

UNAUDITED GENERAL BUSINESS REVENUE ACCOUNT - HALF YEAR ENDED JUNE 30, 2008

	Half year ended	
	June 30,	
	2008	2007
	Unaudited	Unaudited Restated
	Rs'000	Rs'000
Gross Premiums	288,737	262,884
Premiums ceded to Reinsurers	(39,354)	(73,068)
Change in unearned premiums	(22,196)	(17,718)
Net earned premiums	227,187	172,098
Gross claims paid	156,374	138,774
Claims recovered from Reinsurers	(10,464)	(9,396)
Movement in outstanding claims	43,239	14,164
Net claims incurred	189,149	143,542
Commissions payable to agents and brokerage fees	27,412	23,082
Commissions receivable from Reinsurers	(9,206)	(8,032)
Documentation and policy fees	(3,209)	(2,627)
Net commissions payable	14,997	12,423
Underwriting surplus (page 3)	23,041	16,133



UNAUDITED LIFE ASSURANCE FUND - HALF YEAR ENDED JUNE 30, 2008

	Half year ended	
	June 30,	
	2008	2007
	Unaudited	Unaudited
	Actual	Restated
	Rs'000	Rs'000
Gross Premiums	155,536	134,153
Ceded to Reinsurers	(9,134)	(8,772)
Net insurance premiums	146,402	125,381
Consideration for annuities	1,288	-
	147,690	125,381
Investment and other income	76,723	57,936
Profit on disposal of property and equipment	(4,770)	-
(Decrease)/increase in fair value of available-for-sale financial assets	(81,152)	223,219
	(9,199)	281,155
	138,491	406,536
Commissions payable	11,425	9,127
Commissions recoverable from reinsurers	(477)	(379)
Net commissions payable	10,948	8,748
Gross death and disablement claims	9,163	3,094
Recoverable from reinsurers	(2,471)	(1,303)
Net death and disablement claims	6,692	1,791
Maturity claims	72,719	65,471
Surrenders	8,705	6,416
Other benefits	730	1,526
Annuities and pensions	8,070	2,913
Total claims	96,916	78,117
Management expenses	25,068	26,264
Depreciation	3,663	4,459
Amortisation of intangible assets	238	294
	28,969	31,017
Share of results of associated companies	1,658	288,654
Share of currency translation reserve of associated companies	(1,052)	2,865
(Deficit)/surplus for the period	(806)	290,579
Fund at January 1, as previously reported	3,046,106	2,280,946
Prior period adjustments:		
- Share of surplus to shareholders	-	(92,590)
- Misallocation of the results and reserves of associates between Life Fund and the Group	-	14,590
- Reversal of the inter branch tax equalisation account	-	(9,372)
Fund at January 1, as restated	3,046,106	2,193,574
(Deficit)/surplus for the period	(806)	290,579
Share of deficit/(surplus) from/(to) shareholders	12,802	(13,867)
Fund at June 30,	3,058,102	2,470,286

THE GROUP	Attributable to equity holders of the Parent Company							
	Share Capital	Revaluation and Other Reserves	Non-distributable share of Life Surplus	Retained Earnings	Statutory Reserve Fund	Total	Minority Interest	TOTAL
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
HALF YEAR ENDED JUNE 30, 2008								
At January 1, 2008	200,400	898,205	92,328	290,083	-	1,481,016	3,315	1,484,331
Increase in fair value of available-for-sale financial assets	-	11,592	-	-	-	11,592	-	11,592
Release from fair value reserve on disposal of available-for-sale financial assets	-	(45,004)	-	-	-	(45,004)	-	(45,004)
Movement in reserves of associates	-	(1,412)	-	(46)	-	(1,458)	-	(1,458)
Net profit for the period	-	-	-	58,662	-	58,662	909	59,571
Transfer of non-distributable share of Life surplus	-	-	(12,802)	12,802	-	-	-	-
Dividends	-	-	-	(24,048)	-	(24,048)	-	(24,048)
At June 30, 2008	200,400	863,381	79,526	337,453	-	1,480,760	4,224	1,484,984
HALF YEAR ENDED JUNE 30, 2007								
At January 1, 2007 as previously reported	200,400	515,367	-	205,401	36,117	957,285	2,600	959,885
Changes in accounting policies / prior period adjustments:								
- Share of Life surplus	-	-	85,652	6,938	-	92,590	-	92,590
- Unexpired premium reserve	-	-	-	(16,512)	-	(16,512)	-	(16,512)
- Commissions payable/receivable	-	-	-	5,620	-	5,620	-	5,620
- Incurred but not reported claims reserve	-	-	-	(595)	-	(595)	-	(595)
- Misallocation of the results and reserves of associated companies between Life Fund and the Group and overstatement of 2006 results of an associated company	-	(4,882)	-	(14,970)	-	(19,852)	-	(19,852)
- De-recognition of deferred tax assets	-	-	-	(20,765)	-	(20,765)	-	(20,765)
- Reversal of the inter branch tax equalisation account	-	-	-	9,372	-	9,372	-	9,372
- Overprovision of outstanding claims	-	-	-	12,799	-	12,799	-	12,799
At January 1, 2007 as restated	200,400	510,485	85,652	187,288	36,117	1,019,942	2,600	1,022,542
Increase in fair value of available-for-sale-financial assets	-	111,626	-	-	-	111,626	-	111,626
Release from fair value reserve on disposal of available-for-sale financial assets	-	(6,022)	-	-	-	(6,022)	-	(6,022)
Movement in reserves of associates	-	(940)	-	-	-	(940)	-	(940)
	200,400	615,149	85,652	187,288	36,117	1,124,606	2,600	1,127,206
Net profit for the period								
At June 30, 2007 as previously reported	-	-	-	16,266	-	16,266	318	16,584
Changes in accounting policies:								
- Unexpired premium reserve	-	-	-	(4,521)	-	(4,521)	-	(4,521)
- Commissions payable/receivable	-	-	-	(586)	-	(586)	-	(586)
- Incurred but not reported claims reserve	-	-	-	595	-	595	-	595
- Share of Life surplus	-	-	-	9,617	-	9,617	-	9,617
At June 30, 2007 as restated	-	-	-	21,371	-	21,371	318	21,689
Transfer of non-distributable share of Life surplus	-	-	13,867	(13,867)	-	-	-	-
Transfer of statutory reserve fund no longer required following the Insurance Act 2005	-	-	-	36,117	(36,117)	-	-	-
Dividends	-	-	-	(20,040)	-	(20,040)	-	(20,040)
At June 30, 2007 as restated	200,400	615,149	99,518	210,870	-	1,125,938	2,918	1,128,856

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

THE COMPANY	Share Capital	Revaluation and Other Reserves	Non-distributable share of Life Surplus	Retained Earnings	Statutory Reserve Fund	TOTAL
HALF YEAR ENDED JUNE 30, 2008	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1, 2008	200,400	642,412	92,328	265,113	-	1,200,253
Increase in fair value of available-for-sale-financial assets	-	(11,058)	-	-	-	(11,058)
Release from fair value reserve on disposal of available-for-sale financial assets	-	(45,004)	-	-	-	(45,004)
Net profit for the period	-	-	-	58,002	-	58,002
Transfer of non-distributable share of Life surplus	-	-	(12,802)	12,802	-	-
Dividends	-	-	-	(24,048)	-	(24,048)
At June 30, 2008	200,400	586,350	79,526	311,869	-	1,178,145
HALF YEAR ENDED JUNE 30, 2007						
At January 1, 2007 as previously reported	200,400	410,694	-	167,598	36,117	814,809
Changes in accounting policies / prior period adjustments:						
- Share of Life surplus	-	-	85,652	6,938	-	92,590
- Unexpired premium reserve	-	-	-	(16,512)	-	(16,512)
- Commissions payable/receivable	-	-	-	5,620	-	5,620
- Incurred but not reported claims reserve	-	-	-	(595)	-	(595)
- De-recognition of deferred tax assets	-	-	-	(20,765)	-	(20,765)
- Reversal of the inter branch tax equalisation account	-	-	-	9,372	-	9,372
- Overprovision of outstanding claims	-	-	-	12,799	-	12,799
At January 1, 2007 as restated	200,400	410,694	85,652	164,455	36,117	897,318
Increase in fair value of available-for-sale-financial assets	-	82,180	-	-	-	82,180
Release from fair value reserve on disposal of available-for-sale financial assets	-	(2,049)	-	-	-	(2,049)
	200,400	490,825	85,652	164,455	36,117	977,449
Net profit for the period						
At June 30, 2007 as previously reported	-	-	-	9,496	-	9,496
Changes in accounting policies:						
- Unexpired premium reserve	-	-	-	(4,521)	-	(4,521)
- Commissions payable/receivable	-	-	-	(586)	-	(586)
- Incurred but not reported claims reserve	-	-	-	595	-	595
- Share of Life surplus	-	-	-	9,617	-	9,617
At June 30, 2007 as restated	-	-	-	14,601	-	14,601
Transfer of non-distributable share of Life surplus	-	-	13,867	(13,867)	-	-
Transfer of statutory reserve fund no longer required following the Insurance Act 2005	-	-	-	36,117	(36,117)	-
Dividends	-	-	-	(20,040)	-	(20,040)
At June 30, 2007 as restated	200,400	490,825	99,518	181,266	-	972,010

UNAUDITED CASH FLOW STATEMENTS - HALF YEAR ENDED JUNE 30, 2008

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	Unaudited	Unaudited	Unaudited	Unaudited
	Rs'000	Rs'000	Rs'000	Rs'000
Operating activities				
Net cash generated from operating activities	141,178	7,459	146,158	10,447
Investing activities				
- disposal of property and equipment	-	5	-	5
- disposal/maturity of financial assets	170,550	13,521	170,043	3,460
- dividend received form associated companies	4,931	2,500	-	
- purchase of property and equipment	(4,075)	(2,512)	(4,041)	(2,422)
- purchase of intangible asset	(569)		(569)	
- purchase of financial assets	(218,896)	(96,682)	(218,896)	(95,408)
- purchase of investment in associated company	(6,350)	-	(6,350)	-
- loans (granted) / recovered	3,993	246	3,993	11,283
Net cash used in investing activities	(50,417)	(82,922)	(55,820)	(83,082)
Financing activities:				
- dividends - Parent Company's shareholders	(24,048)	(20,040)	(24,048)	(20,040)
Net cash used in financing activities	(24,048)	(20,040)	(24,048)	(20,040)
Net increase/(decrease) in cash and cash equivalents	66,713	(95,503)	66,290	(92,675)
Movement in cash and cash equivalents				
At January 1,	51,554	150,709	47,070	146,894
Increase/(decrease)	66,713	(95,503)	66,290	(92,675)
At June 30,	118,267	55,206	113,360	54,219

UNAUDITED CASH FLOW STATEMENT - LIFE BUSINESS - HALF YEAR ENDED JUNE 30, 2008

	2008	2007
	Unaudited	Unaudited
	Rs'000	Rs'000
Operating activities		
Net cash generated from operating activities	(13,428)	65,755
Investing activities		
- disposal of property and equipment	-	5
- disposal/maturity of financial assets	199,302	10,825
- disposal of investment property	41,687	-
- disposal of investment in associated company	6,350	-
- purchase of property and equipment	(4,041)	(1,478)
- purchase of intangible asset	(252)	(331)
- purchase of financial assets	(278,386)	(96,028)
- loans (granted) / recovered	32,792	(2,679)
Net cash used in investing activities	(2,548)	(89,686)
Net decrease in cash and cash equivalents	(15,976)	(23,931)
Movement in cash and cash equivalents		
At January 1,	52,338	37,859
Decrease	(15,976)	(23,931)
At June 30,	36,362	13,928

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS - HALF YEAR ENDED JUNE 30, 2008.
1. Accounting policies

The unaudited financial statements for the half year ended June 30, 2008 have been prepared on the same basis as the accounting policies set out in the statutory financial statements of the Group and the Company for the year ended December 31, 2007. Where necessary, comparative figures have been amended to conform with change in presentation in the current period. This interim report complies with IAS 34, "Interim financial reporting".

2. Segmental reporting
UNAUDITED CONDENSED SEGMENTAL REPORTING
HALF YEAR ENDED JUNE 30, 2008

	Life Rs' 000	General Rs' 000	Stockbroking Rs' 000	Total Rs' 000
<u>Revenues</u>				
Gross earned premiums	-	266,542	-	266,542
Premium ceded to reinsurers	-	(39,354)	-	(39,354)
Brokerage fees	-	-	5,364	5,364
Share of Life deficit	(12,802)	-	-	(12,802)
Total revenue, including share of Life surplus	(12,802)	227,187	5,364	219,749
Segment results	(12,802)	69,886	4,544	61,628
Share of results of associates				(855)
Profit before taxation				60,773
Taxation				(1,202)
Profit after taxation				59,571

HALF YEAR ENDED JUNE 30, 2007

	Life Rs' 000	General Rs' 000	Stockbroking Rs' 000	Total Rs' 000
<u>Revenues</u>				
Gross earned premiums	-	245,166	-	245,166
Premium ceded to reinsurers	-	(73,068)	-	(73,068)
Brokerage fees	-	-	2,710	2,710
Share of Life surplus	13,867	-	-	13,867
Total revenue	13,867	172,098	2,710	188,675
Segment results	13,867	3,777	1,590	19,234
Share of results of associates				2,474
Profit before taxation				21,708
Taxation				(19)
Profit after taxation				21,689

3. Review of results

(a) The Group's performance is summarised below:

	HALF YEAR ENDED	
	JUNE 30, 2008 Rs'000	JUNE 30, 2007 Rs'000
Net profit for the period	59,571	21,689
Net (decrease)/increase in fair value of available-for-sale financial assets recognised directly in equity	(33,412)	105,604
Increase in Equity holders' interest from operations	26,159	127,293
(Decrease)/increase in Life Assurance Fund	(806)	290,579

(i) Equity holders' interest from operations

- the major contributor to the decrease from Rs127m to Rs26m is attributable to adverse performance of the local equity markets in the 6 months to June 30, 2008.

- Underwriting results have generated a surplus of Rs23m compared to Rs16m due to a growth of 10% in gross premium.

(ii) Life Assurance Fund

- Premiums (net of reassurances and discounts) at Rs146m were 17% better than for the comparative period.

- the adverse performance of the local equity markets impacted on the Life Assurance Fund by a decrease in the fair value of available-for-sale financial assets of Rs81m.

(b) Equity holders' interests and Life Assurance Fund at June 30, 2008 stood at Rs1.5bn and Rs3.1bn respectively.

(c) Rs24m were paid as interim dividends for 2008 compared to Rs20m for 2007.

4. Prior period adjustments following changes in accounting policies in 2007.

(a) Shareholders' share of the surplus generated by the Life Business

Interim share of Life surplus has been recognised based on actuarial estimates.

The result of this was to:

- (i) Increase profit attributable to shareholders
- (ii) Decrease retained earnings
- (iii) Increase Non-distributable share of Life surplus

THE GROUP AND THE COMPANY

6 Months ended

June 30, 2007

Restated

Rs'000

9,617

(4,250)

13,867

LIFE ASSURANCE FUND

6 Months ended

June 30, 2007

Rs'000

(13,867)

- (iv) Decrease Life Assurance Fund

(b) Unexpired premium reserve (UPR)

The result of this was to:

- (i) Decrease profit attributable to shareholders and retained earnings.

THE GROUP AND THE COMPANY

6 Months ended

June 30, 2007

Rs'000

(4,521)

(c) Commissions payable/reinsurance commissions receivable

The result of this was to:

- (i) Decrease profit attributable to shareholders and retained earnings.

(586)

(d) Incurred but not reported claims (IBNR)

The result of this was to:

- (i) Increase profit attributable to shareholders and retained earnings

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By order of the Board

Gilbert Poisson

Secretary

These Interim financial statements are issued pursuant to Listing Rule 12.21.

The Board of Directors of the Mauritius Union Assurance Company Limited accepts full responsibility for the accuracy of the information contained therein.

Copies of this financial report is available to the public, free of charge, at the registered office of the Company.

These Interim financial statements are also available on the Company web site: www.mauritiunion.com

