

CAUTIONARY ANNOUNCEMENT

The Board of Directors of The Mauritius Union Assurance Company Limited ('MUA') wishes to inform its shareholders and the public at large that MUA and The Mauritius Commercial Bank Limited ('MCB') have come to an out-of-court settlement (the 'Settlement') in respect of (a) actions lodged before the Supreme Court of Mauritius by MCB against MUA in connection with losses suffered by MCB as a result of frauds committed to the detriment of MCB (the 'Claims'); and (b) a counterclaim made by MUA against MCB (the 'Counterclaim') in one of those actions.

The Settlement, which is subject to the satisfaction of certain conditions precedent (the 'Conditions') including regulatory consent and the approval of the shareholders of MUA, is for a global sum of Rs 250 million of which Rs 100 million will be settled by an issue of redeemable preference shares (the 'Shares') to MCB. A meeting of shareholders of MUA will be held in due course to authorize the issue of the Shares.

Subject to the satisfaction of the Conditions, both MUA and MCB have respectively given to each other a full release, discharge and waiver in respect of the Claims and the Counterclaim, and have undertaken to withdraw and discontinue all pending actions lodged before the Supreme Court in connection with the Claims and Counterclaim. The Settlement does not concern the claim made by MCB against MUA in connection with losses sustained following a robbery at the head office of MCB in February 2005. The matter is pending before the Supreme Court.

The Settlement is an event after the reporting period, in line with International Accounting Standards (IAS 10 – 'Events after the Reporting Period'); the Directors have recognized the relevant charge in the financial statements of MUA for the year ended 31 December 2010.

Shareholders of MUA and the public at large are requested to exercise caution when dealing in MUA shares.

By order of the Board
Gilbert POISSON
Company Secretary

April 08, 2011

This Cautionary Announcement is issued pursuant to Listing Rule 11.3

The Board of Directors of The Mauritius Union Assurance Company Limited accepts full responsibility for the accuracy of the information contained in this Cautionary Announcement.

