

# P.O.L.I.C.Y. LIMITED

## Interim quarterly condensed financial statements

### UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2010

	THE GROUP			THE COMPANY		
	Unaudited as at 31 March 2010 Rs'000	Unaudited as at 31 March 2009 Rs'000	Audited as at 31 December 2009 Rs'000	Unaudited as at 31 March 2010 Rs'000	Unaudited as at 31 March 2009 Rs'000	Audited as at 31 December 2009 Rs'000
<b>ASSETS</b>						
Non-current assets	<b>1,232,367</b>	932,771	1,240,240	<b>1,248,647</b>	947,585	1,257,039
Current assets	<b>38,970</b>	216,372	68,091	<b>22,303</b>	200,979	50,509
<b>Total assets</b>	<b>1,271,337</b>	1,149,143	1,308,331	<b>1,270,950</b>	1,148,564	1,307,548
<b>EQUITY AND LIABILITIES</b>						
Capital and reserves						
Shareholders' interests	<b>1,263,036</b>	1,143,997	1,301,380	<b>1,263,036</b>	1,143,997	1,301,380
Non-current liabilities	-	1,102	-	-	1,102	-
Current liabilities	<b>8,301</b>	4,044	6,951	<b>7,914</b>	3,465	6,168
<b>Total equity and liabilities</b>	<b>1,271,337</b>	1,149,143	1,308,331	<b>1,270,950</b>	1,148,564	1,307,548



# P.O.L.I.C.Y. LIMITED

## Interim quarterly condensed financial statements

### UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2010

	THE GROUP			THE COMPANY		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	Three months to 31 March 2010 Rs'000	Three months to 31 March 2009 Rs'000	Year to 31 December 2009 Rs'000	Three months to 31 March 2010 Rs'000	Three months to 31 March 2009 Rs'000	Year to 31 December 2009 Rs'000
<b>Operating activities</b>						
Net cash from operating activities	687	104,327	138,324	117	101,983	143,366
<b>Investing activities</b>						
Net cash used in investing activities	(28,493)	(9,151)	(74,171)	(28,494)	(9,151)	(74,171)
<b>Financing activities</b>						
Net cash used in financing activities	-	-	(119,169)	-	-	(119,169)
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(27,806)</b>	<b>95,176</b>	<b>(55,016)</b>	<b>(28,377)</b>	<b>92,832</b>	<b>(49,974)</b>
<b>Movement in cash and cash equivalents</b>						
At 1 January	50,611	105,557	105,557	49,104	99,078	99,078
Effect of exchange difference on cash and cash equivalents	34	104	70	(2)	-	-
(Decrease)/increase	(27,806)	95,176	(55,016)	(28,377)	92,832	(49,974)
At 31 March	22,839	200,837	50,611	20,725	191,910	49,104

# P.O.L.I.C.Y. LIMITED

## Interim quarterly condensed financial statements

### UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2010

#### THE GROUP

	Attributable to the owners of the parent					Total equity Rs'000
	Share capital Rs'000	Share premium Rs'000	Revaluation	Fair value reserve Rs'000	Retained earnings Rs'000	
			and other reserves Rs'000			
At 01 January 2010	170,240	61,964	-	725,255	343,921	1,301,380
Total comprehensive income for the quarter	-	-	66	(36,363)	(2,047)	(38,344)
At 31 March 2010	170,240	61,964	66	688,892	341,874	1,263,036
At 01 January 2009	170,240	61,964	1,125	728,077	325,439	1,286,845
Total comprehensive income for the quarter	-	-	158	(145,060)	2,054	(142,848)
At 31 March 2009	170,240	61,964	1,283	583,017	327,493	1,143,997
At 01 January 2009	170,240	61,964	1,125	728,077	325,439	1,286,845
Total comprehensive income for the year	-	-	(1,125)	(2,822)	319,807	315,860
Dividends	-	-	-	-	(301,325)	(301,325)
At 31 December 2009	170,240	61,964	-	725,255	343,921	1,301,380

#### THE COMPANY

	Attributable to the owners of the parent					Total equity Rs'000
	Share capital Rs'000	Share premium Rs'000	Revaluation	Fair value reserve Rs'000	Retained earnings Rs'000	
			and other reserves Rs'000			
At 01 January 2010	170,240	61,964	-	728,565	340,611	1,301,380
Total comprehensive income for the quarter	-	-	-	(36,886)	(1,458)	(38,344)
At 31 March 2010	170,240	61,964	-	691,679	339,153	1,263,036
At 01 January 2009	170,240	61,964	-	728,077	326,564	1,286,845
Total comprehensive income for the quarter	-	-	-	(145,060)	2,212	(142,848)
At 31 March 2009	170,240	61,964	-	583,017	328,776	1,143,997
At 01 January 2009	170,240	61,964	-	728,077	326,564	1,286,845
Total comprehensive income for the year	-	-	-	488	315,372	315,860
Dividends	-	-	-	-	(301,325)	(301,325)
At 31 December 2009	170,240	61,964	-	728,565	340,611	1,301,380

# P.O.L.I.C.Y. LIMITED

## Notes to the unaudited interim quarterly financial statements as at 31 March 2010

- 1 The unaudited interim quarterly condensed financial statements have been prepared on the same basis of the accounting policies set out in the statutory financial statements of the Group for the year ended 31 December 2009, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued now effective.

The condensed financial statements for the quarter to 31 March 2010 are unaudited.

### 2 OVERVIEW

a) The Net Asset Value went down by 2.9% from Rs.7.64 as at 31 December 2009 to Rs.7.42 as at 31 March 2010. Shareholders' interest stood at Rs 1.26 billion at the end of the quarter under review. (Rs 1.3 billion as at 31 December 2009).

b) As a result of reduced dividends received and limited disposals, loss for the first quarter of 2010 was Rs. 1.4 million, compared to a profit of Rs. 2 million during the corresponding period in 2009.

By Order of the Board  
Abax Corporate Administrators Ltd  
Secretary

Date: 11 May 2010

This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

The Board of Directors of P.O.L.I.C.Y. Limited accepts full responsibility for the accuracy of the information contained in these financial statements.

Copies of the interim reporting statement and the statement of direct and indirect interests of the Company, pursuant to rule 8 (2) (m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available to the public, free of charge, at the registered office of the Company, c/o Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebene.

# P.O.L.I.C.Y. LIMITED

## Notes to the unaudited interim quarterly financial statements as at 31 March 2010

### SEGMENT INFORMATION

P.O.L.I.C.Y. Limited reportable segments are strategic business units that offer long term investments and others. The accounting policies of the operating segment is the same as those described in the statutory financial statements of the Group/Company for the year ended 31 December 2009 except for the adoption of relevant amendments to published standards, standards and Interpretations issued now effective.

	Long-term Investments Rs' 000	Short-term Investments Rs' 000	Others Rs' 000	Total Rs' 000
<b>Quarter ended 31 March 2010</b>				
Total segment revenues - external revenues	1,195	(253)	-	942
Total segment profit/(loss) before tax	1,458	520	69	2,047
<b>Quarter ended 31 March 2009</b>				
Total segment revenues - external revenues	3,069	(1,807)	1,414	2,676
Total segment profit/(loss) before tax	1,075	(1,976)	3,249	2,348
<b>Year ended 31 December 2009</b>				
Total segment revenues	161,926	3,629	6,507	172,062
Total segment profit/(loss) before tax	149,362	2,757	168,468	320,587
<b>Total assets</b>				
<b>31 March 2010</b>	<b>1,254,670</b>	<b>16,667</b>	<b>-</b>	<b>1,271,337</b>
31 March 2009	1,133,745	15,393	5	1,149,143
31 December 2009	1,290,751	17,580	-	1,308,331

## REVIEW

As at March 31, 2010, the net asset value (NAV) per share of P.O.L.I.C.Y. Limited (POLICY) stood at Rs.7.42, compared to Rs.7.64 as at December 31, 2009, representing a decrease of 2.9% over the quarter while the SEMTRI decreased by 1.0%. This decrease could largely be attributed to a weak quarter for the local stock market with hotel stocks, NRL, SRL and NMH losing 25.0%, 7.2% and 6.7% respectively. Despite also recording negative performances, banking stocks fared better with MCB returning -5.7% and SBM -2.5%. IBL increased by 22.2% while ROGERS shed 11.3% for the period under review.

The performance of the Company's share price over the quarter bettered that of its NAV. The market price as at March 31, 2010 was Rs.9.25, compared with a market price of Rs.9.30 at December 31, 2009. As at March 31, 2010, POLICY shares were traded at a premium of 24.7% to the NAV.

The NAV as at March 31, 2010 stood at Rs.1.263 billion, a decrease of Rs.38 million over the period under review. The portfolio held stocks worth Rs.1.249 billion and Rs.14 million of cash and was composed of 86.0% listed stocks, 6.7% DEM stocks, 4.1% foreign investments, 2.0% unquoted investments and 1.2% cash.

## PERFORMANCE FIGURES & RATIOS

	2005	2006	2007	2008	2009	1Q09	1Q10	
POLICY	Share Price <sup>1</sup>	-0.8%	114.3%	25.4%	-9.5%	63.6%	8.6%	-0.5%
	Net Asset Value <sup>1</sup>	29.2%	48.4%	55.7%	-24.8%	24.5%	-11.1%	-2.9%
	Portfolio Turnover Ratio <sup>2</sup>	8.3%	12.0%	6.4%	31.4%	32.7%	1.2%	2.7%
	Share Turnover Ratio	8.5%	7.4%	3.9%	11.5%	6.2%	1.1%	0.5%
Local Market	SEMTRI	20.5%	56.8%	59.1%	-33.6%	45.7%	-9.1%	-1.0%
	SEM-7	17.2%	50.7%	80.6%	-44.0%	35.0%	-12.0%	-6.0%
	Market Turnover Ratio <sup>3</sup>	5.7%	5.1%	6.8%	10.4%	6.9%	1.3%	2.2%
	Market Turnover Ratio <sup>4</sup>	6.2%	6.1%	8.2%	8.1%	8.0%	1.4%	2.1%

<sup>1</sup> Performance adjusted for dividends paid.

<sup>2</sup> Total value of purchases and sales divided by the average net asset value (at beginning and end of period).

<sup>3</sup> Turnover (in Rs.) divided by the market capitalisation at period end.

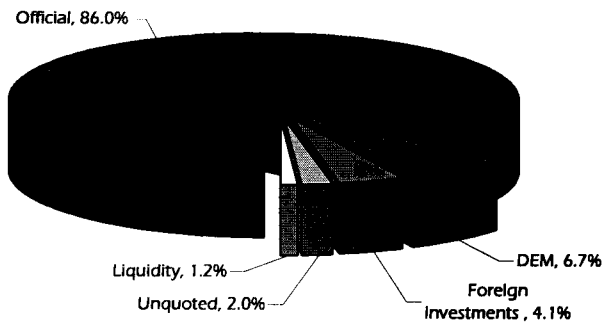
<sup>4</sup> Turnover (in Rs.) divided by the average market capitalisation (at beginning and end of period).

## TOP 5 HOLDINGS

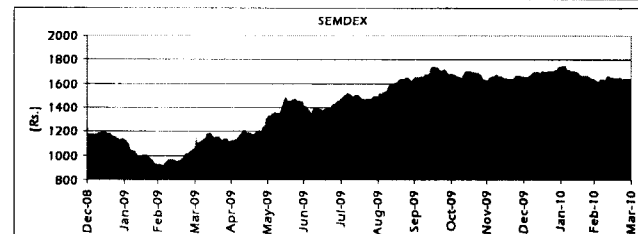
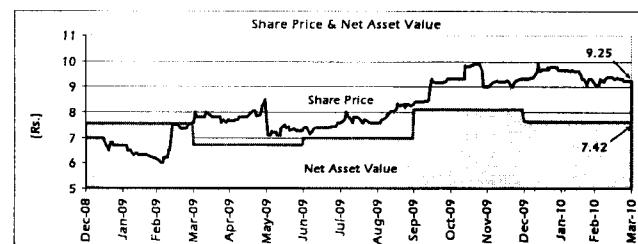
	Rs. (Million)	% of Net Assets
The Mauritius Commercial Bank Ltd	533.4	42.2%
New Mauritius Hotels Ltd	256.3	20.3%
United Basalt Products Ltd	77.2	6.1%
State Bank of Mauritius Ltd	67.9	5.4%
Promotion and Development Ltd	43.1	3.4%
<b>TOTAL</b>	<b>977.9</b>	<b>77.4%</b>

## IPRO FUND MANAGEMENT LTD FUND MANAGER MAY 11, 2010

## PORTFOLIO COMPOSITION AT MARCH 31, 2010



## SHARE PRICE & NET ASSET VALUE EVOLUTION



## SECTOR ALLOCATION

BANKS & INSURANCE	50.1%
LEISURE & HOTELS	25.0%
INVESTMENTS	7.1%
INDUSTRY	6.1%
FOREIGN INVESTMENTS	4.1%
COMMERCE	2.2%
OTHERS	2.2%
SUGAR	2.0%
LIQUIDITY	1.2%
<b>TOTAL</b>	<b>100.0%</b>

## OUTLOOK

The local economy is expected to recover in 2010, with GDP forecasted to be in excess of 4.5%. Financial intermediation, construction and infrastructure sectors (due to increased government expenditure and Foreign Direct Investment) will significantly contribute to this expansion. The improved economic environment & business confidence should result in stronger earnings for listed companies, during the second half of this year.