



# MAURITIUS STATIONERY MANUFACTURERS LIMITED ("MSM")

BRN: C07001514

## CONDENSED UNAUDITED GROUP FINANCIAL STATEMENTS FOR THE NINE MONTHS TO MARCH 31, 2010 (RS'000)

### STATEMENTS OF FINANCIAL POSITION

	The Group			The Company		
	31.03.10 Unaudited	31.03.09 Unaudited	30.06.09 Audited	31.03.10 Unaudited	31.03.09 Unaudited	30.06.09 Audited
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	554,054	591,709	588,512	399,277	381,524	414,079
Intangible assets	234,662	272,120	235,200	5,107	4,931	4,867
Investments in subsidiary companies	-	-	-	158,303	168,678	158,303
Available-for-sale investments	445	445	445	445	445	445
Deferred tax asset	21,915	15,709	21,915	-	-	-
Other financial assets	-	-	-	-	138,477	-
Employee benefit asset	-	-	-	55	-	55
	<b>811,076</b>	<b>879,983</b>	<b>846,072</b>	<b>563,187</b>	<b>694,055</b>	<b>577,749</b>
<b>Current assets</b>	<b>443,403</b>	<b>530,161</b>	<b>482,387</b>	<b>487,327</b>	<b>374,963</b>	<b>474,815</b>
<b>Total assets</b>	<b>1,254,479</b>	<b>1,410,144</b>	<b>1,328,459</b>	<b>1,050,514</b>	<b>1,069,018</b>	<b>1,052,564</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Stated capital	135,920	135,295	135,920	135,920	135,295	135,920
Reserves	83,784	150,445	137,232	168,569	195,304	214,757
Equity attributable to equity holders of the parent	219,704	285,740	273,152	304,489	330,599	350,677
Non-controlling interests	2,056	848	1,032	-	-	-
<b>Total equity</b>	<b>221,760</b>	<b>286,588</b>	<b>274,184</b>	<b>304,489</b>	<b>330,599</b>	<b>350,677</b>
<b>Non-current liabilities</b>	<b>439,444</b>	<b>405,431</b>	<b>348,225</b>	<b>302,160</b>	<b>283,005</b>	<b>214,703</b>
<b>Current liabilities</b>	<b>593,275</b>	<b>718,125</b>	<b>706,050</b>	<b>443,865</b>	<b>455,414</b>	<b>487,184</b>
<b>Total equity and liabilities</b>	<b>1,254,479</b>	<b>1,410,144</b>	<b>1,328,459</b>	<b>1,050,514</b>	<b>1,069,018</b>	<b>1,052,564</b>
<b>Net assets per share (Rs)</b>	<b>37.26</b>	<b>48.13</b>	<b>45.89</b>	<b>51.16</b>	<b>55.68</b>	<b>58.92</b>

### STATEMENTS OF COMPREHENSIVE INCOME

	The Group				The Company			
	Quarter to 31.03.10	Quarter to 9 months to 31.03.09	Quarter to 9 months to 31.03.10	Quarter to 9 months to 31.03.09	Quarter to 31.03.10	Quarter to 9 months to 31.03.09	Quarter to 9 months to 31.03.10	Quarter to 9 months to 31.03.09
<b>Continuing operations</b>								
Revenue	100,415	146,512	455,860	543,604	111,122	137,085	428,049	462,086
<b>Gross Profit</b>	<b>4,009</b>	<b>22,046</b>	<b>84,098</b>	<b>112,953</b>	<b>3,883</b>	<b>16,008</b>	<b>58,677</b>	<b>61,243</b>
<b>(Loss)/Profit from operations</b>	<b>(23,407)</b>	<b>(12,649)</b>	<b>(13,463)</b>	<b>2,260</b>	<b>(23,353)</b>	<b>4,302</b>	<b>(20,386)</b>	<b>4,771</b>
Net finance costs	(10,384)	(21,963)	(29,829)	(54,092)	(11,782)	(19,686)	(25,316)	(51,480)
Exceptional items	-	-	-	-	-	-	-	4,498
<b>Loss before taxation</b>	<b>(33,791)</b>	<b>(34,612)</b>	<b>(43,292)</b>	<b>(51,832)</b>	<b>(35,135)</b>	<b>(15,384)</b>	<b>(45,702)</b>	<b>(42,211)</b>
Taxation	(97)	(82)	(486)	(210)	(98)	-	(486)	-
<b>Loss after taxation</b>	<b>(33,888)</b>	<b>(34,694)</b>	<b>(43,778)</b>	<b>(52,042)</b>	<b>(35,233)</b>	<b>(15,384)</b>	<b>(46,188)</b>	<b>(42,211)</b>
<b>Discontinued operations</b>								
-Loss after tax	(6,333)	(9,152)	(9,010)	(2,211)	-	-	-	-
<b>Loss for the period</b>	<b>(40,221)</b>	<b>(43,846)</b>	<b>(52,788)</b>	<b>(54,253)</b>	<b>(35,233)</b>	<b>(15,384)</b>	<b>(46,188)</b>	<b>(42,211)</b>
<b>Other comprehensive (expense)/income</b>								
Exchange differences on translating foreign operations	(247)	36,151	365	10,158	-	-	-	-
Other comprehensive (expense)/income for the period	(247)	36,151	365	10,158	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(39,974)</b>	<b>(7,695)</b>	<b>(52,423)</b>	<b>(44,095)</b>	<b>(35,233)</b>	<b>(15,384)</b>	<b>(46,188)</b>	<b>(42,211)</b>
<b>Loss attributable to:</b>								
Equity holders of the parent	(40,783)	(44,186)	(53,813)	(55,362)	(35,233)	(15,384)	(46,188)	(42,211)
Non-controlling interests	562	340	1,025	1,109	-	-	-	-
	<b>(40,221)</b>	<b>(43,846)</b>	<b>(52,788)</b>	<b>(54,253)</b>	<b>(35,233)</b>	<b>(15,384)</b>	<b>(46,188)</b>	<b>(42,211)</b>
<b>Total comprehensive income attributable to:</b>								
Equity holders of the parent	(40,536)	(8,035)	(53,448)	(45,204)	(35,233)	(15,384)	(46,188)	(42,211)
Non-controlling interests	562	340	1,025	1,109	-	-	-	-
	<b>(39,974)</b>	<b>(7,695)</b>	<b>(52,423)</b>	<b>(44,095)</b>	<b>(35,233)</b>	<b>(15,384)</b>	<b>(46,188)</b>	<b>(42,211)</b>
<b>Loss per share (Rs)</b>	<b>(6.85)</b>	<b>(8.28)</b>	<b>(9.04)</b>	<b>(10.37)</b>	<b>(5.92)</b>	<b>(2.88)</b>	<b>(7.76)</b>	<b>(7.91)</b>

### COMMENTS

For the nine months to March 31, 2010, the Company's turnover decreased by 7.4% to Rs 428M mainly due to lower than expected orders for book printing. However, improved operational efficiency and a leaner organization resulted in a drop of only 4.2% in gross profit to Rs 58.7M.

After a rent of Rs 13M (2009: Nil) paid to Book Printing Services Ltd and significantly lower finance costs of Rs 25.3M, net of exchange gain of Rs 14.4M, the Company's after-tax loss was Rs 46.2M compared to the 2009 loss of Rs 42.2M, which was, however, net of Rs 10M of insurance compensation and of an exceptional gain of Rs 4.5M.

Group loss after taxation at Rs 52.4M (2009: Rs 44.1M) is after the negative impact of MSM Madagascar SA's performance and a closure cost provision of Rs 6.2M.

### OUTLOOK

Our major restructuring plan is being finalised with the re-scheduling of existing debts, additional soft-term debt finance of Rs 42M, soft-term debentures of Rs 45M and a Rights Issue of Rs 160M to shareholders at May 13, 2010, which is partly underwritten by the Parent Company. Our production plant in Madagascar will be transferred and integrated into our local operations while our book printing activities are being re-assessed.

The above bold measures should improve the Group's performance.

For and on behalf of the Board of Directors

GML Services Financiers et Juridiques Ltée  
Company Secretary  
May 13, 2010

### Notes:

The above condensed unaudited group financial statements have been prepared using the same accounting policies and methods as the previous audited financial statements for the year ended June 30, 2009, except for the adoption of the relevant amendments to published standards and Interpretations issued, now effective.

Copies of these condensed unaudited nine months group financial statements and of the statement of direct and indirect interests of officers of the Company are available free of charge from the Company Secretary at the registered office of the Company, 11<sup>th</sup> Floor Swan Group Centre, 10 Intendance Street, Port Louis.

The above condensed unaudited group financial statements are issued pursuant to Listing Rule 12.20 and Section 88 of the Securities Act 2005.

The MSM's Board of Directors accepts full responsibility for accuracy of the information contained in the above report.

### STATEMENTS OF CASH FLOWS

	The Group		The Company	
	Nine months to 31.03.10	31.03.09	Nine months to 31.03.10	31.03.09
<b>Inflows/(outflows)</b>				
Net cash used in operations	(12,112)	(14,317)	(33,335)	(98,767)
Net cash used in investing activities	(659)	(43,136)	(240)	(54,485)
Net cash generated from financing activities	62,286	144,835	72,776	155,440
Increase in cash and cash equivalents	49,515	87,382	39,201	2,188
Effects of exchange rate changes	(24)	259	-	-
Cash and cash equivalents at 1 July	(120,619)	(215,008)	(112,465)	(117,879)
Cash and cash equivalents at 31 March	<b>(71,128)</b>	<b>(127,367)</b>	<b>(73,264)</b>	<b>(115,691)</b>

### STATEMENTS OF CHANGES IN EQUITY

	Total	Share	Share	Retained	Other
		Capital	Premium	Earnings	Reserves
<b>(a) THE GROUP</b>					
At 30 June 2009	273,152	135,920	23,819	34,260	79,153
Loss for the period	(53,813)	-	-	(53,813)	-
Other Comprehensive income	365	-	-	-	365
Total Comprehensive income	(53,448)	-	-	(53,813)	365
<b>At 31 March 2010</b>	<b>219,704</b>	<b>135,920</b>	<b>23,819</b>	<b>(19,553)</b>	<b>79,518</b>
At 30 June 2008	330,945	135,295	23,819	117,813	54,018
Loss for the period	(55,362)	-	-	(55,362)	-
Other Comprehensive income	10,158	-	-	-	10,158
Total Comprehensive income	(45,204)	-	-	(55,362)	10,158
<b>At 31 March 2009</b>	<b>285,740</b>	<b>135,295</b>	<b>23,819</b>	<b>62,451</b>	<b>64,175</b>
<b>(b) THE COMPANY</b>					
At 30 June 2009	350,677	135,920	23,819	93,102	97,836
Loss for the period	(46,188)	-	-	(46,188)	-
<b>At 31 March 2010</b>	<b>304,489</b>	<b>135,920</b>	<b>23,819</b>	<b>46,914</b>	<b>97,836</b>
At 30 June 2008	372,810	135,295	23,819	152,940	60,756
Loss for the period	(42,211)	-	-	(42,211)	-
<b>At 31 March 2009</b>	<b>330,599</b>	<b>135,295</b>	<b>23,819</b>	<b>110,729</b>	<b>60,756</b>

### SEGMENT INFORMATION

	Mauritius		Madagascar		Total	
	Nine months to 31.03.10	31.03.09	Nine months to 31.03.10	31.03.09	Nine months to 31.03.10	31.03.09
Revenue	455,860	504,599	37,565	39,005	493,425	543,604
Less Revenue attributable to discontinued operations	-	-	(37,565)	-	(37,765)	-
Revenue from continuing operations	455,860	504,599	-	39,005	455,860	543,604
(Loss)/Profit from operations	(13,463)	4,581	(9,010)	(4,532)	(22,473)	49
Less operating loss from discontinued operations	-	-	(9,010)	(2,211)	(9,010)	(2,211)
Operating (loss)/profit from continuing operations	(13,463)	4,581	-	(2,321)	(13,463)	2,260